7-1976

Land Value Taxation: Impact Analysis on Omaha/Douglas County, Nebraska

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Land Value Tax Impact Analysis Omaha/ Douglas Co.

LAND VALUE TAXATION: IMPACT ANALYSIS

ON

OMAHA/DOUGLAS COUNTY, NEBRASKA

BY

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JULY, 1976

Financial Assistance: Douglas County Economic Development Office.

Technical Assistance: Ralph H. Todd, PhD., Director Center for Applied Urban Research, University of Nebraska at Omaha.

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INTRODUCTION

The present property tax has been under attack by home owners, business and industry. Many studies have shown the present property tax to be the most unpopular tax levied by government. This tax once levied by all governments including the federal government is now almost exclusively used by local governments with other levels of government adopting sales and income taxes as replacements for the property tax. While other levels of governments have abandoned the property tax it currently seems that the local property tax will be used by local governments as their main revenue source for quite some time in the future because of the large revenues it currently provides.

Through the years proposals have been made to lessen the burden of the property tax through replacement taxes such as sales and income taxes. None of these replacement taxes materialized into measurable property tax reductions. In Nebraska the opposite has usually been the case as property tax rates in many cities and counties have reached their limits set by law and the tax rates for schools which comprise the largest part of the property tax bill have gone up without limit.

The purpose of this study is to examine Land Value Taxation (LVT) and the impact it would have on various types of property in Omaha/Douglas County if it were enacted in total in 1976. To finance the needs of local governments suggestions usually center on raising the property tax or adding replacement taxes for more revenue. LVT is a structural change in the property tax which this study addresses. The merits or problems of the administration of the property tax also have a large impact on the present property tax but are not covered in this study. LVT, however, provides a viable option for generating revenue; one which on the basis of its economic and social merits deserves attention.

LVT is a result of the fact that the present property tax is really several taxes in one. The present property tax can be divided into three broad classes; (1) personal property tax, (2) a land tax, and (3) an improvement or building tax. The personal property tax has been significantly reduced in Nebraska with the majority of the property tax now coming from real property, the land and improvement taxes. These two taxes are different in nature and incidence. The tax on land is considered by many economists the best possible tax of all. Increases in the value of land, as opposed to improvements on land, are in the most part the result of community, public or someone other than the owners action, work or investment, thus are speculative gain in the pure sense. On the other hand

the portion of the tax that falls on the improvements (improvement of property, being the result of individual effort) provides a financial motivation for an individual not to improve or maintain his property.

DEFINITIONS

For the purposes in this study the following terms are defined to insure a common understanding of this report.

Present Real Property Tax.
A tax on the advalorem or market value of all real property with tax rates applied equally to land and improvements.

Graded Property Tax.
A tax on the advalorem or market value of all real property with different rates applied to land values and improvement values, (taxes on land values are usually higher).

Land Value Tax.

A tax on the advalorem of market value of land only or improvements are exempt in whole or in part.

Site Value Tax.
Used interchangably with land value taxation to mean the same thing.

The remainder of this report is divided into three major sections. First, a look at the difference between the land tax and the improvement tax. Second, the immediate change LVT would have with respect to classes of property, geographical location and different ranges of property values, and then a look at some of the longer range impacts of LVT. Third, a discussion of things to consider in making a change from the present property tax to LVT and road blocks to implementation of LVT in Omaha/Douglas County and Nebraska. The appendix provides a discussion of the use of LVT in the United States and several foreign countries as well as detailed statistical information for the interested reader.

LAND TAX VERSUS IMPROVEMENT TAX

According to C. Lowell Harris, former President of the National Tax Foundation, and Professor of Economics, Columbia University, "the present property tax, is the best of taxes (the land portion), and the worst of taxes (the improvement portion)", [1]. Eugene V. Rostow, distinguished political scientist, describes some of the costly economic consequences of the property tax: "The property tax is one of the most influential breeders of waste in the economy, including the movement of business and people from cities to suburbs in flows which involve the premature abandonment of huge capital resources in roads, sewers, fire stations, police precincts, houses, schools, electrical, gas, water, and other utilities".[2]

The effect of the property tax is much different in different parts of the United States because of the vastly different tax rates, for example, in 1971 the tax rate in New Orleans was one of the lowest at $.48 per $100 of value, while Milwaukee recorded one of the highest at $3.52 per $100 of value.[3] Few people realize just how high property taxes really are in relation to other taxes levied.

In Nebraska property values are determined by local county-wide elected assessors. This value is multiplied by 35% to arrive at the "taxable value". The taxable value is then multiplied by the "mill levies" of local government that the property tax supports. In Douglas County alone there are 169 separate local governments supported by the property tax, including 122 sanitary and improvement districts. The consolidated mill levy in Omaha for 1976, is 105.92, or 3.707% of actual value.

While the 3.7% seems low it is actually very high since it applies to the same value year after year while the sales tax for example is applied just once. Converting the property tax to a sales tax it becomes obvious how high the property tax really is. Using our example (3.7% in Omaha) a sales tax paid just once at the time of purchase, over a building life of 50 years, would have to be 185%. Also, it can be illustrated by computing the new rates for the Nebraska States Sales and Income Taxes to make up for the revenue loss if the property tax was totally eliminated. Shifting totally to a sales tax, the new rate would be 12% or totally to corporate and personal income taxes the new rates would be 15.75% and 63% respectively.[4]

THE LAND TAX

Land is the only kind of private property that the owner did nothing to create. Also, a high tax or no tax on land will have no effect on the supply of land, so the only thing that will change because of taxes will be the price of land. The higher the tax on land the lower the price it will command in the market.

Table 1, illustrates the effect of increasing the tax on land values and how it is capitalized into lower land prices.

Table 1

THE EFFECT OF TAXING LAND VALUES

Tax Rate (% of taxable value)	Tax	Market Value* After Tax
0%	$ 00	$20,000
1%	171	17,142
2%	300	15,000
3%	400	13,333
4%	480	12,000
5%	545	10,909
6%	600	10,000
18%	900	5,000
24%	960	4,000
50%	1,071	2,142
100%	1,132	1,132

* Assumes a capitalization rate of 6%

Source: Arthur P. Becker, Ed. Land and Building Taxes, Their Effect on Economic Development. Milwaukee: University of Wisconsin Press, 1969, Table 1.1, pp. 35.

While Table 1 shows the impact higher taxes has on the value of a property worth $20,000 with no tax, it is most important to realize that this property value is a result of actions by persons other than the owner. Forexample, the public investment in streets, sewers, utilities and the wide varity of services like garbage collection,fire and police protection, snow removal, etc. Thus the tax applied to land values approximates a return to the community for what it provides to the land. Also, the land tax encourages the efficient use of the land and the investment and services provided by the public or community.

It is because the value of land is, in the most part, a direct result of public action that most economists have acclaimed the land tax the best tax in terms of equality, besides its neutrality in private investment decisions, efficient allocation of resources (land, public investments, public services), in the market place.

Increasing the tax on land, as shown in Table 1, will decrease the price of land, but the untaxing of improvements at the same time will create a new demand for land that currently has no private improvements or little improvements, especially in areas where public improvements and services are now provided.

Thus, owners of vacant or underdeveloped property under a land value tax faced with paying for the full cost of the public services provided to their property would have the choice of improving their property with no increase in taxes or selling to someone who will.

The proportion of vacant land varies from city to city as shown in Table 2. In Omaha Table 2, shows that 16% of the city is vacant. Since this portion of the city contributes approximately 3% of the total tax revenue it should be obvious how the present property tax financially benefits vacant land owners. This favorable tax treatment is paid for by those making large capital improvements to their property, and thus takes more from privately created values and less from publically created values. The benefit and subsidy to vacant property in Lincoln, Nebraska would logically be higher than in Omaha since, as shown in Table 2, 28% of the land in Lincoln is vacant.

While the subsidy to vacant property is great, a large part of the city is made up of underdeveloped property also benefitting from the present property tax and requiring more taxes from those making improvements to their property.

Professor Arthur Becker of the University of Wisconsin at Milwaukee, in studying the economics of land value taxation and the impact it would have in the City of Milwaukee, summarizes what would happen if improvements were untaxed and the whole wright of the property tax were shifted to land values.[5]

1. More new homes would be built in the city to take advantage of the tax exemption of improvements.

2. Building more new homes would give the slum dwellers a better chance to escape the slums.

TABLE 2

VACANT LAND AND BUILDABLE VACANT LAND IN SELECTED CITIES

City	Vacant Land Acres	% Of City Land Area	% Considered Buildable	Buildable Area Acres
Chicago, Ill.	8,960	6%	--	--
Denver, Colo.	7,000	11%	99%	6,930
Des Moines, Ia.	11,300	28%	--	--
Kansas City, Ks.	13,116	36%	100%	13,116
Lincoln, Neb.	7,498	28%	55%	4,124
Los Angeles, Calif.	29,408	10%	100%	29,408
Milwaukee, Wis.	14,092	23%	85%	11,978
Minneapolis, Minn.	1,711	5%	72%	1,232
New York, N. Y.	25,656	13%	90%	23,090
Omaha, Neb.	6,664	16%	70%	4,665
Pittsburgh, Pa.	8,230	23%	36%	2,963
St. Louis, Mo.	2,127	5%	92%	1,957
St. Paul, Minn.	5,031	14%	--	--
Topeka, Ks.	4,461	20%	70%	3,123

Source: Land Economics, November 1971, pp. 352-353.

3. Rents would come down as new construction eases the housing shortage.

4. Urban redevelopment would be accelerated at no cost to the taxpayers. Over the years the heavier land tax would tax the slums and their almost worthless buildings out of existance.

5. Commercial and industrial construction would likewise be stimulated.

6. This would create more commercial and industrial jobs.

7. New buildings would be built better and existing buildings would be improved.

8. The building boom would create many more jobs in the construction trades.

9. The construction boom would give city planners a better chance to get their plans off the drawing board and translated into reality.

10. Less close-in land would be wasted. This would save governments billions of dollars now wasted by sprawl, since all municipal costs are multiplied by distance.

11. Premature subdivision would no longer be profitable.

12. Subsidies would no longer be needed to make it profitable for private enterprise to take on most of the rebuilding and revitalizing our cities.

13. The new construction and all the resulting increase in in-city business activity would strengthen the local tax base and make cities less dependent on state and federal aid.

THE IMPROVEMENT TAX

The improvements to property which accounts for approximately 75% of the total real property tax is the result of private individuals efforts. It is similar to the income tax since it is based on productivity of individuals, but as previously mentioned it is levied at a much higher rate.

The taxation of improvements is a result of traditional property taxation on the advalorem or market value of all property since at the time property taxation began property was the only measure

of wealth and taxes were very low relative to today. The property tax has been narrowed over the years by the increase in the classes of properties granted exemptions and the partial or total elimination of intangible and personal property from the tax base.

Different from the land component, the improvement tax does have an impact on the supply and demand of buildings and other improvements to land. Most urban land, as opposed to agricultural land, is quite worthless if it is unimproved. A high tax on improvements will restrict investment in improvements. The degree to which this restriction exists is dependent on the tax rate.

Since improvements can be amoritized and relocated, the decision to invest or reinvest is usually made on the greatest profit potential which results in a location that has the lowest tax and where land is least expensive. This is proven in almost every city with a decaying inner city and prospering peripheral areas.

The tax on improvements, because of its impact, has been referred to by some as "the profit motive backwards". This is explained since the "equal" tax based on value rewards those that build lower quality and penalizes those that build higher quality. Rewards sprawl type development and penalizes vertical development. Rewards the lack of maintenance and penalizes proper maintenance. Perry Prentice, former editor of Time, House and Home, and Architectural Forum summarized the property tax, "If you want to minimize suburban sprawl... If you want to make low density living possible closer to downtown...If you want to speed up the replacement of obsolete buildings such as prempt so much of downtown land in every city...If you want to check the land-price inflation that threatens to price good homes clear out of the market...It is foolish to subsidize all that... In brief, there is hardly an urban problem today that is not made worse by today's practice of under-taxing land and over-taxing improvements".[6]

While taxing improvements has many adverse economic impacts the tax on land and improvements together has provided local government with a source of revenue to meet its needs and has provided local control of tax rates and services desired by the community.

Because the present property tax has been used for such a long time (becoming an institution) and having the impact on the different types of development good or bad, presents problems when change is attempted. Change is usually rejected "out of hand" because of the fear of the unknown. Accordingly, a tax

reform such as a land value tax has little chance of acceptance in a democracy unless it overcomes opposition based on ignorance and fear. The next section goes into detail on just what the impact would be on taxpayers if a total land value tax (LVT) were to be implemented in Omaha/Douglas County.

IMPACT OF A LAND VALUE TAX IN OMAHA/DOUGLAS COUNTY

METHODOLOGY

To determine the impact of a change from the present property tax to a land value tax (LVT) a total enumeration of all taxable property assessed by the Douglas County Assessor's Office was used thus eliminating any possible error of a sampling type method.

No study is needed to realize that vacant land would be more heavily taxed under LVT than under the present property tax. Thus, the analysis centers on the LVT impact on improved property. This was accomplished by dividing the improvement value by the land value for each property to arrive at an improvement/land ratio. These ratios were then aggregated into ranges from vacant to most improved.

All property was also aggregated by total individual property value, land use class as determined by the assessor's office (agricultural, commercial, industrial, multiple family and single family residential) and by field book assessment district (65 districts in Omaha and 12 districts outside Omaha). This data cross tabulated with the improvement/land ratios formed a series of matrices. Appendix B, shows the data format that was used and the summary tables by class and total county. Appendix C, shows the location of the 65 field book assessment districts in Omaha and the 12 districts outside Omaha.

To determine the impact of any change in the method of taxing property a few basic assumptions and conditions are necessary. In this analysis the following assumptions and conditions were:

1. A total shift from the taxing of improvements and land equally to a tax solely on the value of land.

2. The separate values placed on land and improvements by the Douglas County Assessor's Office, on the 1976 tax roles, are representative of actual value.

3. Total tax revenue would not change derived from the real property tax.

4. Taxes on property assessed by the State Board of Equalization and in-lieu-of taxes paid by tax exempt properties would not change.

5. Agricultural land taxes would remain the same with improvements on agricultural land not taxed.

With the above criteria established the county-wide improvemant/land ratio was calculated and found to be 3.76. This ratio represents the average ratio for the county and the point where all property with ratios below this ratio will have an increase in tax liability and those above will have a decrease.

The percent change in tax liability was calculated, based on the 3.76 ratio, for each improvement/land ratio range shown in Appendix B. The percent changes for each ratio range calculated were:

Improvement/Land Ratio	Percent change in Tax Liability
less than .01	increase 376% to 371%
more than .01 but less than 1.0	increase 371% to 138%
more than 1.0 but less than 2.0	increase 138% to 59%
more than 2.0 but less than 2.5	increase 59% to 36%
more than 2.5 but less than 3.0	increase 16% to 19%
more than 3.0 but less than 3.5	increase 19% to 6%
more than 3.5 but less than 4.0	increase 6% to decrease 5%
more than 4.0 but less than 4.5	decrease 5% to 13%
more than 4.5 but less than 5.0	decrease 13% to 21%
more than 5.0 but less than 10.0	decrease 21% to 57%
more than 10.0	decrease 57% or more

Since Omaha/Douglas County has a high proportion of low value vacant property and since there is a significant difference between the impact on vacant and improved property, improved property and total property is shown separately where possible. Also, since the absolute tax changes were low for the lower valued properties while the percent changes were high the improvement/land ratios below 2.0 were combined into one group.

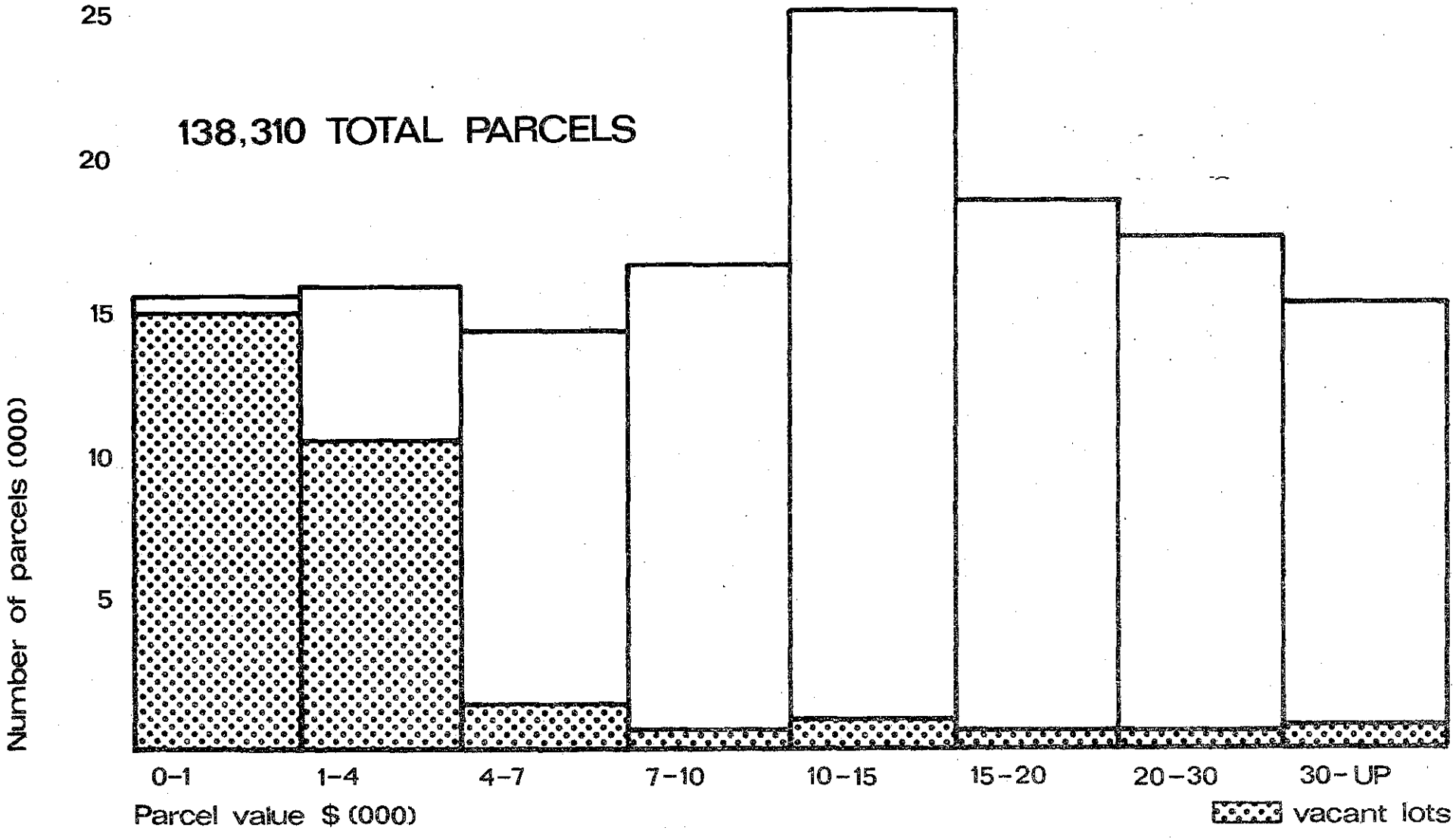
General Characteristics of Property in Douglas County

Douglas County is divided into 138,310 parcels or individual property ownerships for tax purposes. In Figure 1, the distribution of parcels is relatively uniform for the value ranges selected but it is obvious that the vacant property is relatively concentrated, with 85.7% of all vacant properties below $4,000. The average parcel value is $21,287 but separating vacant from improved property, the averages are $3,484 and $26,288 respectively.

In Figure 2, looking at the distribution of improvements in relation to land values or capital intensity, shows the concentration of vacant and highly improved property with vacant

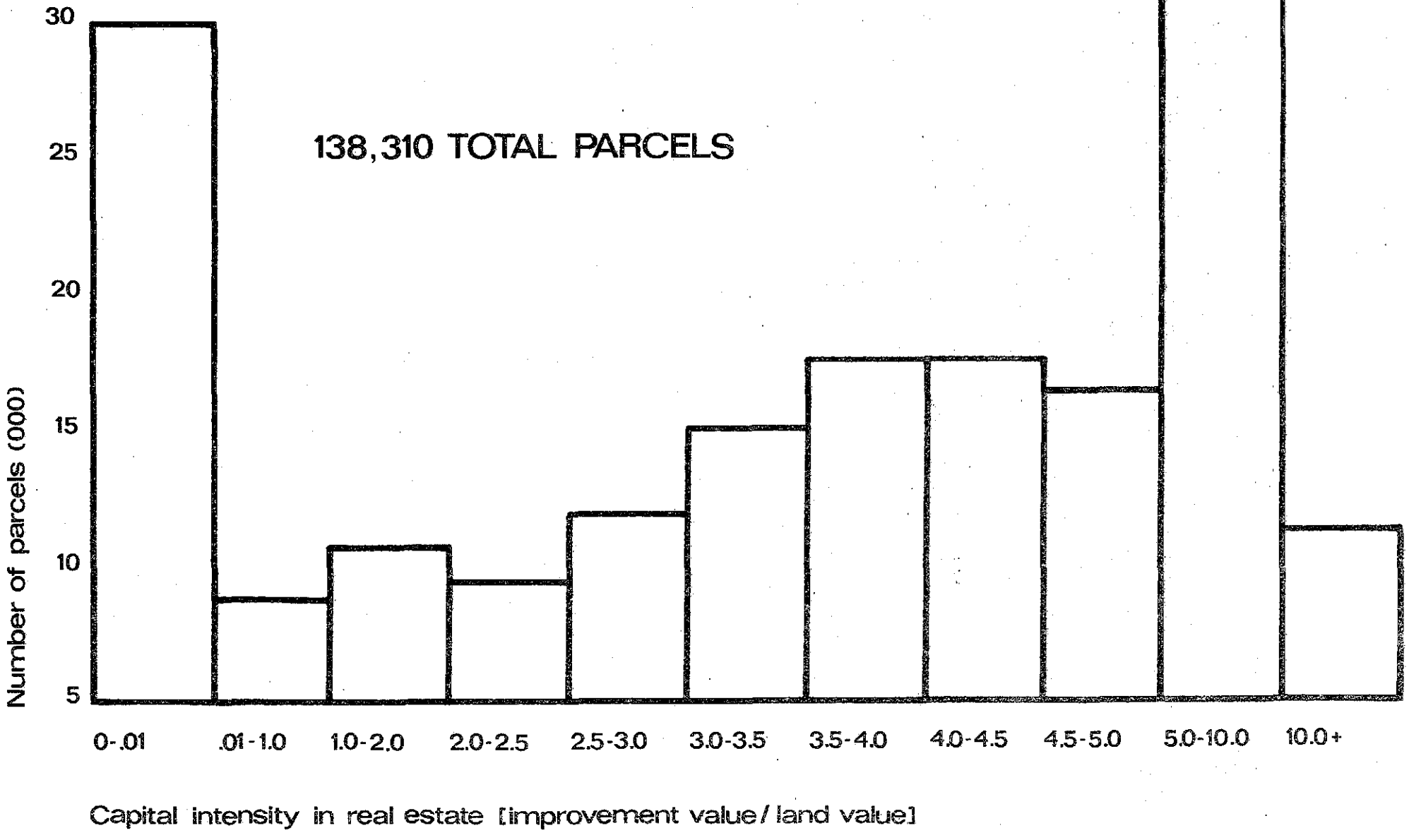
Frequency Distribution Parcel Values
Omaha-Douglas County
All Real Property Classes
1976 Assessments

FIGURE 1



Frequency Distribution Capital Intensity
Omaha - Douglas County
All Real Property Classes
1976 Assessments

FIGURE 2



accounting for approximately 22% of all properties and improved property with a ratio of 5 to 10 accounting for approximately 24% of all properties.

Table 3, shows the make up of property in Douglas County by class and the respective improvement/land ratios. The largest class is residential making up 54% of the tax base or more than all other classes combined. Industrial improved property, while being the fifth largest class, has the highest average investment in improvements at $6.55 for every $1. of land value, while commercial is the lowest major urban class at $3.01 in improvements for every $1. of land value. When adding in all vacant property by class multifamily has the highest investment in land at $5.73 for every $1. of land value.

TABLE 3

TAX BASE AND IMPROVEMENT/LAND RATIOS
BY CLASS IN DOUGLAS COUNTY

Property Class	% of Tax Base	Improvement/land improved only	Ratio total
Agricultural	1.6%	.52	.31
Commercial	23.4%	3.01	2.48
Industrial	9.2%	6.55	4.76
Multifamily	11.8%	6.16	5.73
Residential	54.0%	4.65	4.06
Total County	100.0%	4.25	3.55
Total County Less Agri. land	98.8%	4.42	3.76

AGRICULTURAL IMPACT

Agricultural property from the stand point of improvements to land is almost the exact opposite from the urban property classes. This is illustrated by the fact that the average agricultural property in Douglas County has only $.31 in improvements per $1. of land value, while the average single family residence has $4.65 in improvements per $1. of land value.

Based on the condition made in the beginning of this section, the impact of LVT in Douglas County would be that all of the

934 unimproved properties would have no increase or decrease in taxes, while the 742 improved properties would experience a decrease in taxes in relation to the value of the improvements. The 742 improved properties would average an effective reduction of $14,748 in taxable value. Using all 1,676 properties the average effective reduction in taxable value would be $6,529.

All agricultural property in Douglas County is located outside Omaha except one small property in assessment district 61.

COMMERCIAL IMPACT

As shown in Table 3, commercial properties on the average is the only non-agricultural class below the county average improvement/land ratio, thus is the only class as a whole that will experience an increase in taxes.

Table 4, shows that 18.4% of improved properties and 12.6% of all commercial properties will have 5% or greater decrease in taxes while 77.3% of improved properties and 84.5% of all commercial properties will have a 6% or greater increase.

Table 5, shows that the distribution of increases and decreases are relatively uniform as to total parcel value until total value reaches $100,000 and all commercial properties over $500,000, the majority will have decreases instead of increases.

In Figures 3.1 and 3.2, the distribution of the impact is relatively uniform increases by district except that two districts in Omaha and two districts outside Omaha will have a majority of the improved properties with a 5% or greater decrease.

INDUSTRIAL IMPACT

Industrial improved properties, since this class has invested the most in relation to land values, will have the greatest tax reduction due to LVT.

Table 6, shows that 60.9% of improved properties and 27.5% of all industrial properties will have a 5% or greater decrease in taxes. The large difference between improved and total is a result of 54.9% of all industrial property being vacant.

Table 7, shows that more properties will have decreases as total property value increases to a point where a majority will have a significant decrease for those properties above $50,000. The majority (78%) of the improved properties are in this group. Also in relation to total properties 31% are below $4,000 and 38% are above $50,000.

TABLE 4

IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY
A FREQUENCY DISTRIBUTION OF CHANGES IN TAX LIABILITY
FOR COMMERCIAL REAL PROPERTY
(1976 ASSESSMENTS)

% Change in Tax Liability	No. of Properties In Each Class	% of Improved Properties In Each Class-Cumulative		% of Total Properties In Each Class-Cumulative	
Decrease 57% or more	185	3.6%	3.6%	2.4%	2.4%
Decrease 21% to 57%	473	9.1%	12.7%	6.3%	8.7%
Decrease 13% to 21%	128	2.5%	15.2%	1.7%	10.4%
Decrease 13% to 5%	166	3.2%	18.4%	2.2%	12.6%
Decrease 5% to Increase 6%	220	4.3%	22.7%	2.9%	15.5%
Increase 6% to 19%	270	5.2%	27.9%	3.6%	19.1%
Increase 19% to 36%	323	6.2%	34.1%	4.3%	23.4%
Increase 36% to 59%	452	8.7%	42.8%	6.0%	29.4%
Increase 59% or more	5,338*	57.2%	100.0%	70.6%	100.0%
		5,179 Properties		7,555 Properties	

* Includes 2,376 Vacant Lots

TABLE 5
IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY
IN RELATION TO PROPERTY VALUES
FOR COMMERCIAL REAL PROPERTY
(1976 ASSESSMENTS)

Total Property Value (Land & Improvements)	No. of Properties Improved	No. of Properties Total	Improved Properties: % of Properties w/5% or more decrease	Improved Properties: % of Total Properties	Total Properties: % of Properties w/5% or more decrease	Total Properties: % of Total Properties
$ 1 thru $ 1,000	25	409	20%	1%	1%	5
1,001 thru 4,000	214	962	9%	4%	2%	13%
4,001 thru 7,000	342	681	15%	7%	7%	9%
7,001 thru 10,000	391	598	12%	4%	8%	8%
10,001 thru 15,000	576	768	12%	11%	9%	10%
15,001 thru 20,000	470	578	15%	9%	12%	8%
20,001 thru 30,000	660	775	13%	13%	11%	10%
30,001 thru 40,000	446	519	13%	9%	11%	7%
40,001 thru 50,000	292	341	17%	6%	15%	4%
50,001 thru 100,000	806	905	17%	16%	15%	12%
100,001 thru 500,000	740	798	32%	15%	30%	11%
500,001 and over	217	221	58%	5%	57%	3%
TOTAL	5,179	7,555	--	100%	--	100%

AVERAGE PROPERTY VALUE IMPROVED $126,180

AVERAGE PROPERTY VALUE VACANT $ 14,638

FIGURE 3.1

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTY

COMMERCIAL

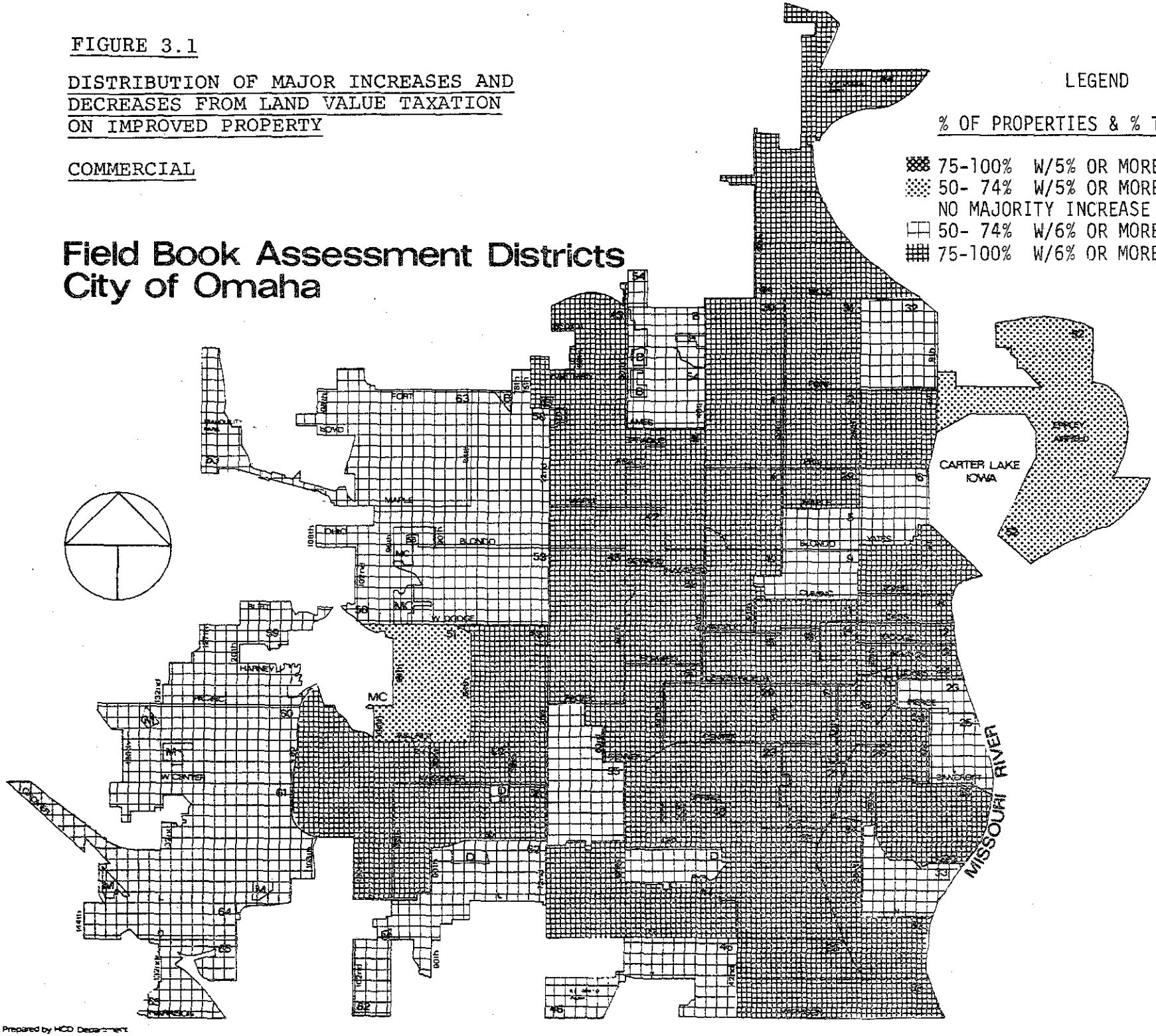


FIGURE 3.2

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTIES

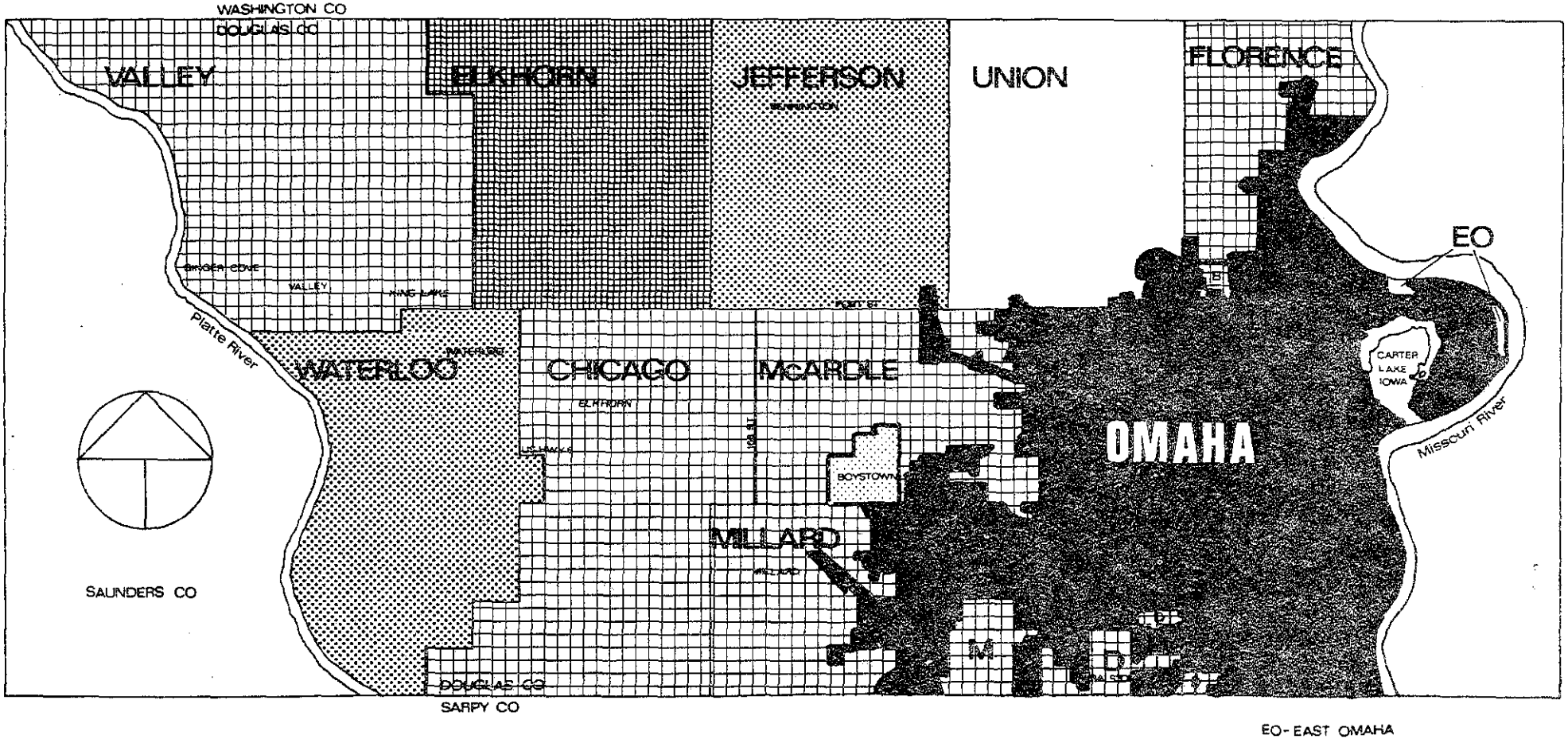
COMMERCIAL

Field Book Assessment Districts Outside Omaha

LEGEND

% OF PROPERTIES & % TAX CHANGE

- 75-100% W/5% OR MORE DECREASE
- 50- 74% W/5% OR MORE DECREASE
- NO MAJORITY INCREASE OR DECREASE
- 50- 74% W/6% OR MORE INCREASE
- 75-100% W/6% OR MORE INCREASE



EO - EAST OMAHA
B - BENSON
M - MILLARD
D - DOUGLAS

PREPARED BY HCD DEPARTMENT
CITY OF OMAHA

TABLE 6

IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY
A FREQUENCY DISTRIBUTION OF CHANGES IN TAX LIABILITY
FOR INDUSTRIAL REAL PROPERTY
(1976 ASSESSMENTS)

% Change in Tax Liability	No.of Properties In Each Class	% of Improved Properties In Each Class-Cumulative		% of Total Properties In Each Class-Cumulative	
Decrease 57% or more	153	19.1%	19.1%	8.6%	8.6%
Decrease 21% to 57%	262	32.7%	51.8%	14.8%	23.4%
Decrease 13% to 21%	41	5.1%	56.9%	2.3%	25.7%
Decrease 13% to 5%	32	4.0%	60.9%	1.8%	27.5%
Decrease 5% to Increase 6%	28	3.5%	64.4%	1.6%	29.1%
Increase 6% to 19%	39	4.9%	69.3%	2.2%	31.3%
Increase 19% to 36%	45	5.6%	74.9%	2.5%	33.8%
Increase 36% to 59%	45	5.6%	80.5%	2.5%	36.3%
Increase 59% or more	1,133*	19.5%	100.0%	63.7%	100.0%
		801 Properties		1,778 Prpoerties	

* Includes 977 Vacant Lots

TABLE 7

IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY IN RELATION TO PROPERTY VALUES

FOR INDUSTRIAL REAL PROPERTY

(1976 ASSESSMENTS)

Total Property Value (Land & Improvements)	No. of Properties		Improved Properties		Total Properties	
	Improved	Total	% of Properties w/5% or more decrease	% of Total Properties	% of Properties w/5% or more decrease	% of Total Properties
$ 1 thru $ 1,000	10	212	10%	1%	0%	12%
1,001 thru 4,000	8	333	0%	1%	0%	19%
4,001 thru 7,000	9	127	11%	1%	1%	7%
7,001 thru 10,000	18	85	28%	2%	6%	5%
10,001 thru 15,000	17	82	47%	2%	10%	5%
15,001 thru 20,000	16	61	31%	2%	8%	3%
20,001 thru 30,000	36	81	25%	5%	11%	5%
30,001 thru 40,000	28	51	25%	4%	14%	3%
40,001 thru 50,000	35	58	31%	4%	19%	3%
50,001 thru 100,000	144	187	51%	18%	39%	10%
100,001 thru 500,000	370	391	73%	46%	69%	22%
500,001 and over	110	110	88%	14%	88%	6%
TOTAL	801	1,778				

AVERAGE PROPERTY VALUE IMPROVED $324,187

AVERAGE PROPERTY VALUE VACANT $ 13,232

In Figures 4.1 and 4.2, the distribution of the impact is spotty in Omaha, while outside Omaha it is more uniform with the majority of the districts having a major decrease of 5% or more. Also, in this class there are 17 districts having no industrial property, 14 in Omaha and 3 outside Omaha. There is a significant concentration of industrial properties in two districts (61 and 62) in southwest Omaha that accounts for a quarter of all improved industrial properties in which 81% and 62% of the properties in these districts would have a major decrease of 5% or more.

MULTI-FAMILY IMPACT

Multifamily improved and total properties will have the largest majority reduction in taxes due to LVT.

Table 8, shows that 67.7% of improved properties and 62.7% of all multifamily properties will have a 5% or greater decrease in taxes. The largest majority (41.3%) of improved properties will have a 21% to 57% reduction in taxes. This class also has the smallest percentage of vacant property at approximately 7% of the total number of multifamily properties.

Table 9, shows that the majority of all improved properties, in all value ranges, will have a significant decrease with all multifamily properties over $500,000 total value having a major decrease of 5% or more. A majority of all improved multifamily properties (61%) have a total property value of $7,000 to $30,000.

In Figures 5.1 and 5.2, there are only seven districts with a significant majority increase with five (5) of the districts concentrated in and around the downtown business district. A majority of the districts will have 75 to 100% of the properties with a significant decrease.

RESIDENTIAL IMPACT

Residential single family improved properties make up the largest class of property in Omaha/Douglas County numbering 96,405. Residential vacant properties is also the largest in any class and accounts for 87% of all vacant properties. In this the largest class, the majority of improved properties will have reduction in taxes due to LVT.

Table 10, shows that the largest group of improved properties (29,858) will have a 21 to 57% decrease representing 31% of all improved properties, while a majority of 60.6% with a significant decrease of 5% or more. Including the 25,656 vacant parcels, 48.0% of the residential properties will have a significant decrease, 10.1% with no major increase or decrease and 41.9% (82% vacant property) with a significant increase.

FIGURE 4.1

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTIES

INDUSTRIAL

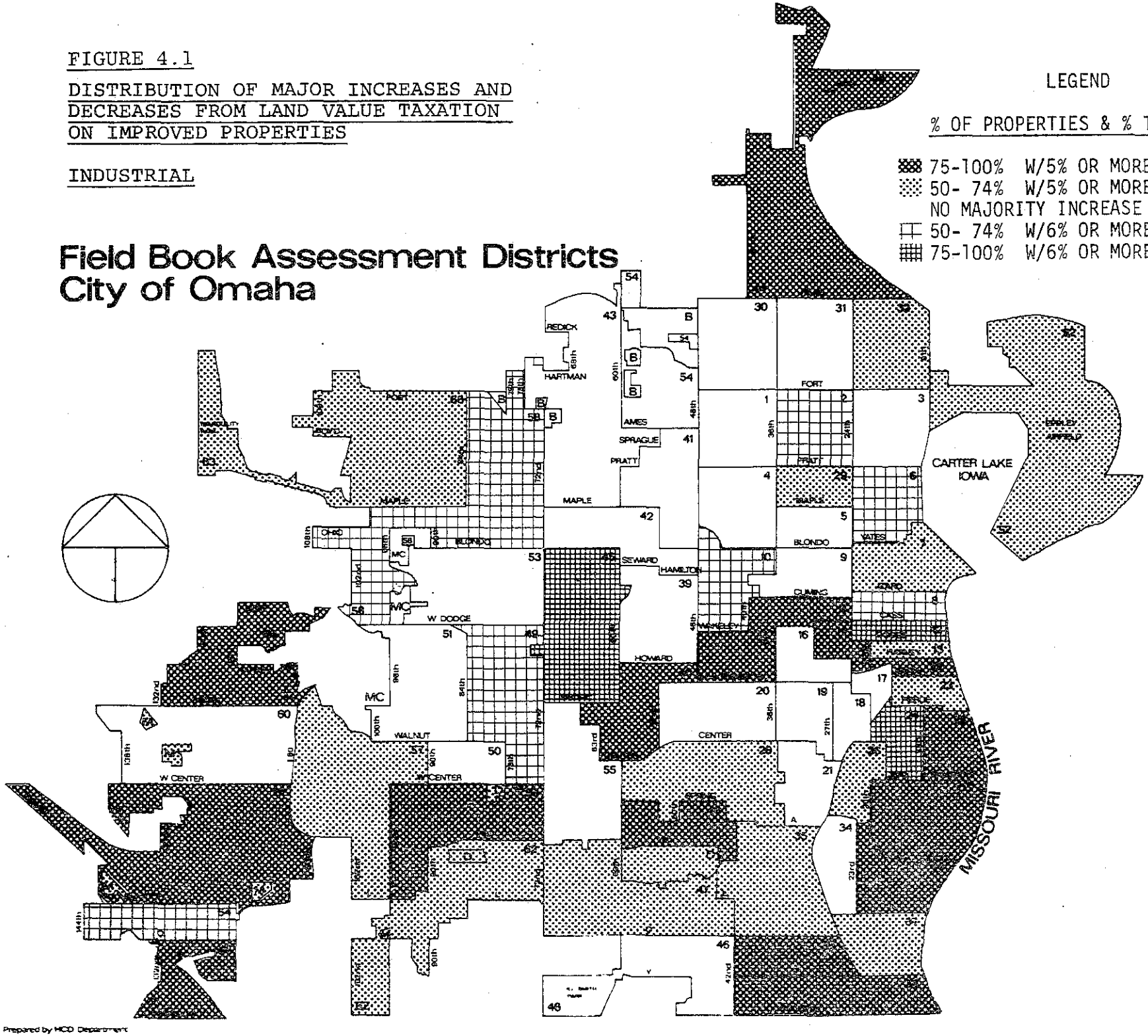


FIGURE 4.2

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTIES

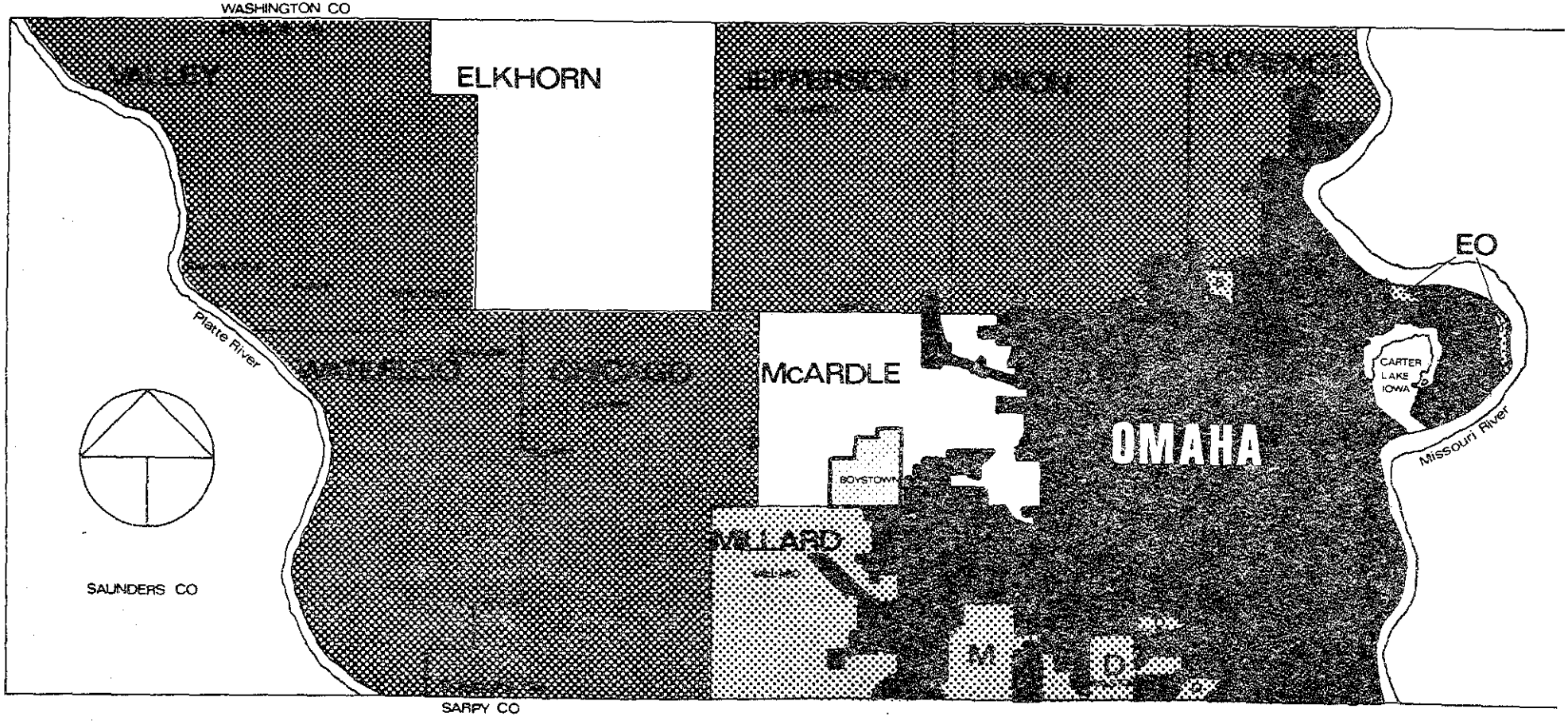
INDUSTRIAL

Field Book Assessment Districts Outside Omaha

LEGEND

% OF PROPERTIES & % TAX CHANGE

- 75-100% W/5% OR MORE DECREASE
- 50- 74% W/5% OR MORE DECREASE
- NO MAJORITY INCREASE OR DECREASE
- 50- 74% W/6% OR MORE INCREASE
- 75-100% W/6% OR MORE INCREASE



EO - EAST OMAHA
B - BENSON
M - MILLARD
D - DOUGLAS

PREPARED BY HCD DEPARTMENT
CITY OF OMAHA

TABLE 8

IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY
A FREQUENCY DISTRIBUTION OF CHANGES IN TAX LIABILITY
FOR MULTI-FAMILY REAL PROPERTY
(1976 ASSESSMENTS)

% Change in Tax Liability	No. of Properties In Each Class	% of Improved Properties In Each Class	% of Improved Properties Cumulative	% of Total Properties In Each Class	% of Total Properties Cumulative
Decrease 57% or more	469	9.7%	9.7%	9.0%	9.0%
Decrease 21% to 57%	2,004	41.3%	51.0%	38.2%	47.2%
Decrease 13% to 21%	428	8.8%	59.8%	8.2%	55.4%
Decrease 13% to 5%	385	7.9%	67.7%	7.3%	62.7%
Decrease 5% to Increase 6%	327	6.7%	74.4%	6.2%	68.9%
Increase 6% to 19%	320	6.6%	81.0%	6.1%	75.0%
Increase 19% to 36%	270	5.6%	86.6%	5.2%	80.2%
Increase 36% to 59%	210	4.3%	90.9%	4.0%	84.2%
Increase 59% or more	827*	9.1%	100.0%	15.8%	100.0%
		4,854 Properties		5,240 Properties	

* Includes 386 Vacant Lots

TABLE 9

IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY
IN RELATION TO PROPERTY VALUES
FOR MULTI-FAMILY REAL PROPERTY
(1976 ASSESSMENTS)

Total Property Value (Land & Improvements)	No. of Properties		Improved Properties		Total Properties	
	Improved	Total	% of Properties w/5% or more decrease	% of Total Properties	% of Properties w/5% or more decrease	% of Total Properties
$ 1 thru $ 1,000	1	176	0%	0%	0%	3%
1,001 thru 4,000	99	194	59%	2%	30%	4%
4,001 thru 7,000	418	442	56%	9%	53%	9%
7,001 thru 10,000	637	653	49%	13%	47%	13%
10,001 thru 15,000	969	983	58%	20%	57%	19%
15,001 thru 20,000	623	637	73%	13%	71%	12%
20,001 thru 30,000	735	751	76%	15%	74%	14%
30,001 thru 40,000	347	356	78%	7%	76%	7%
40,001 thru 50,000	215	220	79%	4%	77%	4%
50,001 thru 100,000	406	418	75%	8%	72%	8%
100,001 thru 500,000	280	286	86%	6%	85%	5%
500,001 and over	124	124	100%	3%	100%	2%
TOTAL	4,854	5,240	--	100%	00	100%

AVERAGE PROPERTY VALUE IMPROVED $70,696

AVERAGE PROPERTY VALUE VACANT $ 9,421

FIGURE 5.1

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTIES

MULTI-FAMILY

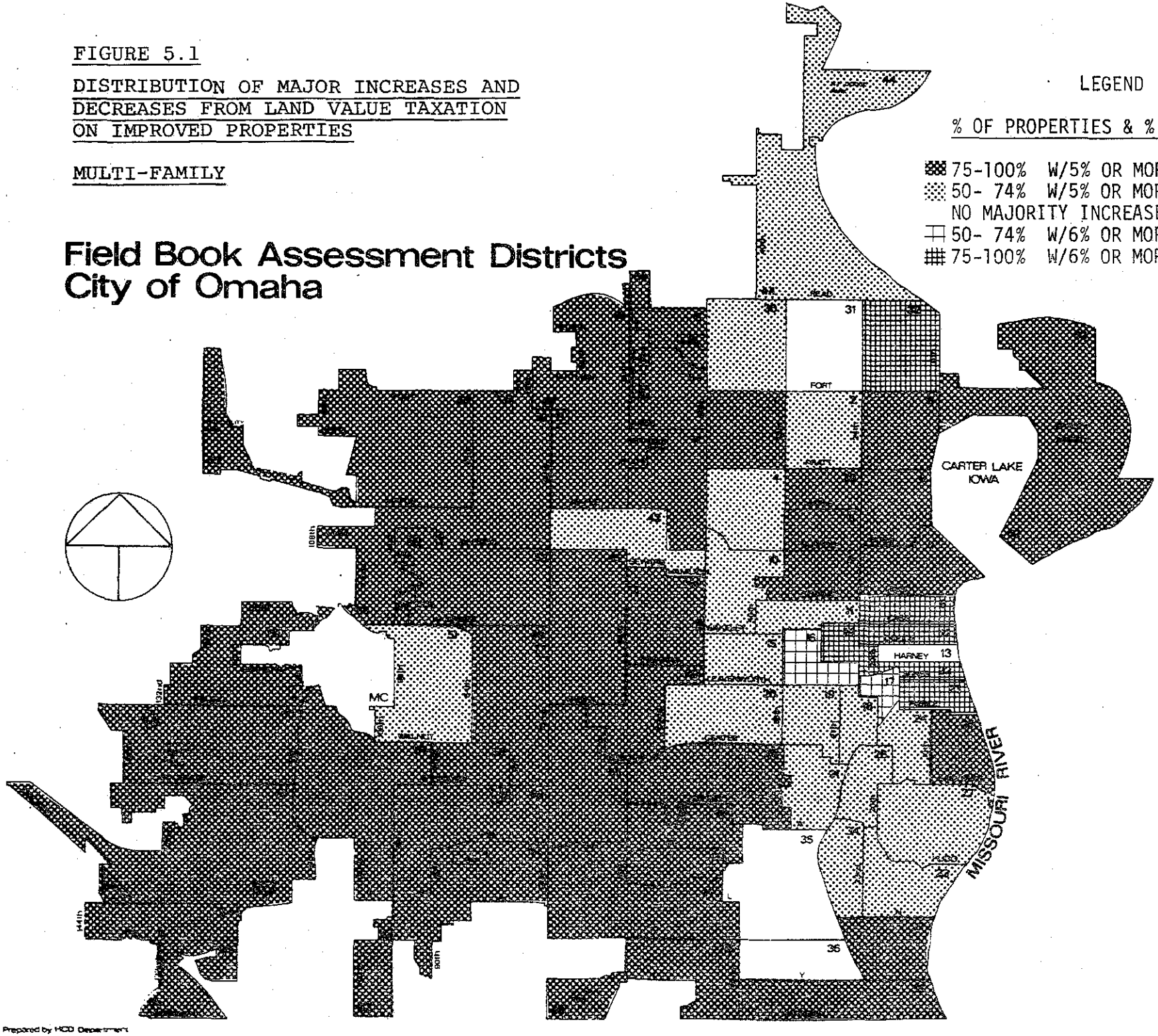


FIGURE 5.2

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTIES

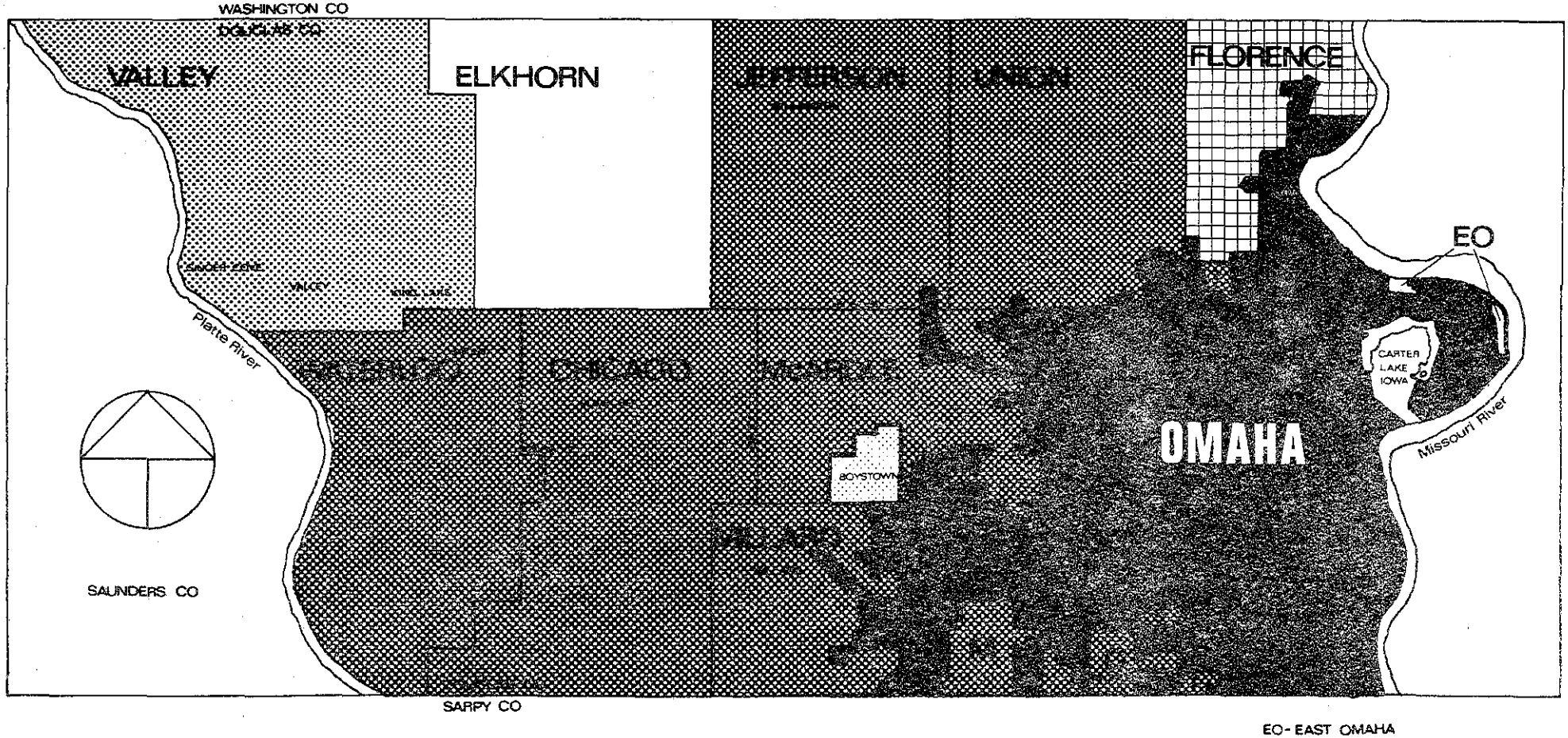
MULTI-FAMILY

Field Book Assessment Districts Outside Omaha

LEGEND

% OF PROPERTIES & % TAX CHANGE

- 75-100% W/5% OR MORE DECREASE
- 50- 74% W/5% OR MORE DECREASE
- NO MAJORITY INCREASE OR DECREASE
- 50- 74% W/6% OR MORE INCREASE
- 75-100% W/6% OR MORE INCREASE



EO - EAST OMAHA
B - BENSON
M - MILLARD
D - DOUGLAS

PREPARED BY HCD DEPARTMENT
CITY OF OMAHA

TABLE 10

IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY
A FREQUENCY DISTRIBUTION OF CHANGES IN TAX LIABILITY
FOR RESIDENTIAL REAL PROPERTY
(1976 ASSESSMENTS)

% Change in Tax Liability	No. of Properties In Each Class	% of Improved Properties In Each Class-Cumulative		% of Total Properties In Each Class-Cumulative	
Decrease 57% or more	5,344	5.5%	5.5%	4.4%	4.4%
Decrease 21% to 57%	29,858	31.0%	36.5%	24.5%	28.9%
Decrease 13% to 21%	10,711	11.1%	47.6%	8.8%	37.7%
Decrease 13% to 5%	12,568	13.0%	60.6%	10.3%	48.0%
Decrease 5% to Increase 6%	12,327	12.8%	73.4%	10.1%	58.1%
Increase 6% to 19%	9,747	10.1%	83.5%	8.0%	66.1%
Increase 19% to 36%	6,328	6.6%	90.1%	5.2%	71.3%
Increase 36% to 59%	3,949	4.1%	94.2%	3.2%	74.5%
Increase 59% or more	31,229*	5.8%	100.0%	25.5%	100.0%
		96,405 Properties		122,061 Properties	

* Includes 25,656 Vacant Lots

Table 11, shows that a majority of improved properties with total values of $1,000 to $7,000 and $15,000 or more will have a significant decrease. The majority (85%) of improved residential properties have a value of $4,000 to $30,000. Including the vacant properties 92% are below $30,000. Below $1,000 there is virtually no improved property, while 12% of all properties is in this range.

In Figures 6.1 and 6.2, the greatest impact (lower taxes) is centralized in the southwest, northwest and the near northeast sections of Omaha and generally all of the county outside Omaha. This can be rationalized from the stand point that in the southwest, northwest and county areas, land values have not reached their full (appreciated) value and that private improvements are generally new and high in value relative to the land values. While in the near northeast section land value has passed its full (appreciated) value and has fallen, making the value of older improvements high in relation to the land values.

There are varying numbers of residential improved properties (homes) in each district with no residential in downtown (districts 13 and 22). Thus the real impact on residential improved property by districts can be made when those districts having 500 or less improved residential parcels (18 districts) are set aside. With the remaining 59 significant residential districts, 33 districts would have a majority (over 50%) of the improved properties (homes) with a decrease of 5% or more in their taxes, 23 districts with no majority of the property owners with a significant increase or decrease in their taxes and only 3 districts in which a majority of the property owners would have an increase of 6% or more in their taxes.

TOTAL COUNTY IMPACT (ALL PROPERTY CLASSES)

Combining all improved properties, a majority will have a significant decrease, while for all properties no clear majority increase or decrease results.

Table 12, dominated by residential, shows that a majority of 58.6% of all improved properties will have a significant decrease of 5% or more, 12% with no significant increase or decrease, and 29.4% with a significant increase of 6% or more. Including the 30,329 vacant properties, 45.7% would have a significant decrease, 9.3% no significant change and 45% with a significant increase. The largest improved range accounts for 32,607 properties or 30.2% that would have a decrease of 21 to 57%. The largest total range accounts for 40,148 properties (including 30,329 vacant properties) or 29.0% that would have an increase of 59% or more.

Table 13, again dominated by residential, shows that a majority of the improved properties with value ranges $1,000 to $7,000 and $15,000 and over will have significant decreases. A majority of the properties (85%) are between $4,000 and $30,000. Including vacant properties those properties over $15,000 will have a majority decrease.

TABLE 11

IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY
IN RELATION TO PROPERTY VALUES
FOR RESIDENTIAL REAL PROPERTY
(1976 ASSESSMENTS)

Total Property Value (Land & Improvements)	No. of Properties		Improved Properties		Total Properties	
	Improved	Total	% of Properties w/5% or more decrease	% of Total Properties	% of Properties w/5% or more decrease	% of Total Properties
$ 1 thru $ 1,000	290	14,841	7%	0%	0%	12%
1,001 thru 4,000	4,910	14,354	52%	5%	18%	12%
4,001 thru 7,000	11,858	12,966	51%	12%	46%	11%
7,001 thru 10,000	14,909	15,191	33%	16%	33%	12%
10,001 thru 15,000	23,066	23,212	49%	24%	49%	19%
15,001 thru 20,000	17,096	17,147	76%	18%	76%	14%
20,001 thru 30,000	14,595	14,624	82%	15%	82%	12%
30,001 thru 40,000	6,302	6,318	87%	7%	87%	5%
40,001 thru 50,000	1,926	1,937	88%	2%	88%	2%
50,001 thru 100,000	1,352	1,364	90%	1%	89%	1%
100,001 thru 500,000	97	103	90%	0%	84%	0%
500,001 and over	4	4	100%	0%	100%	0%
TOTAL	96,405	122,061	--	100%	--	100%

AVERAGE PROPERTY VALUE IMPROVED $16,080

AVERAGE PROPERTY VALUE VACANT $ 1,545

FIGURE 6.1

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTIES

RESIDENTIAL

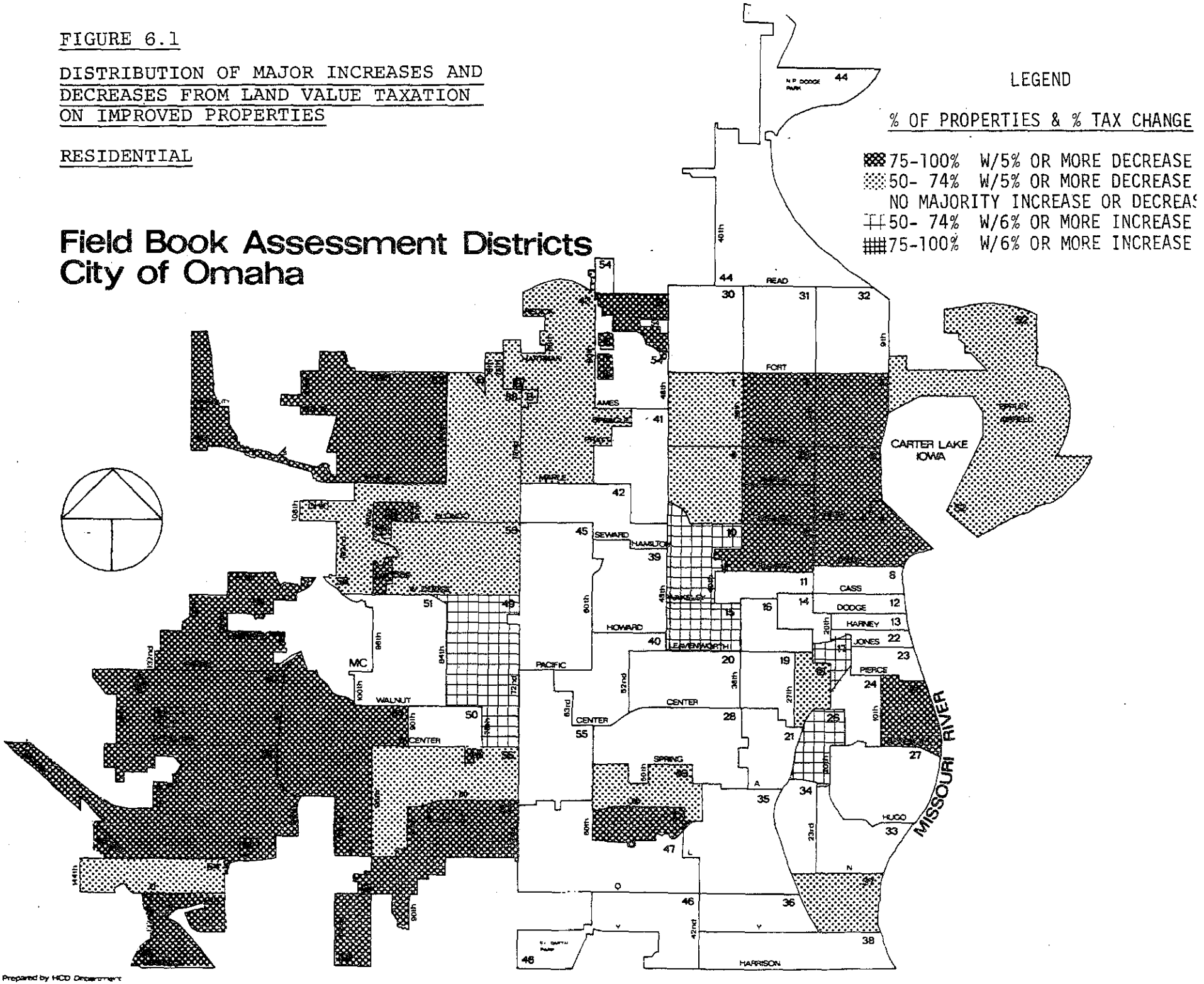


FIGURE 6.2

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTIES

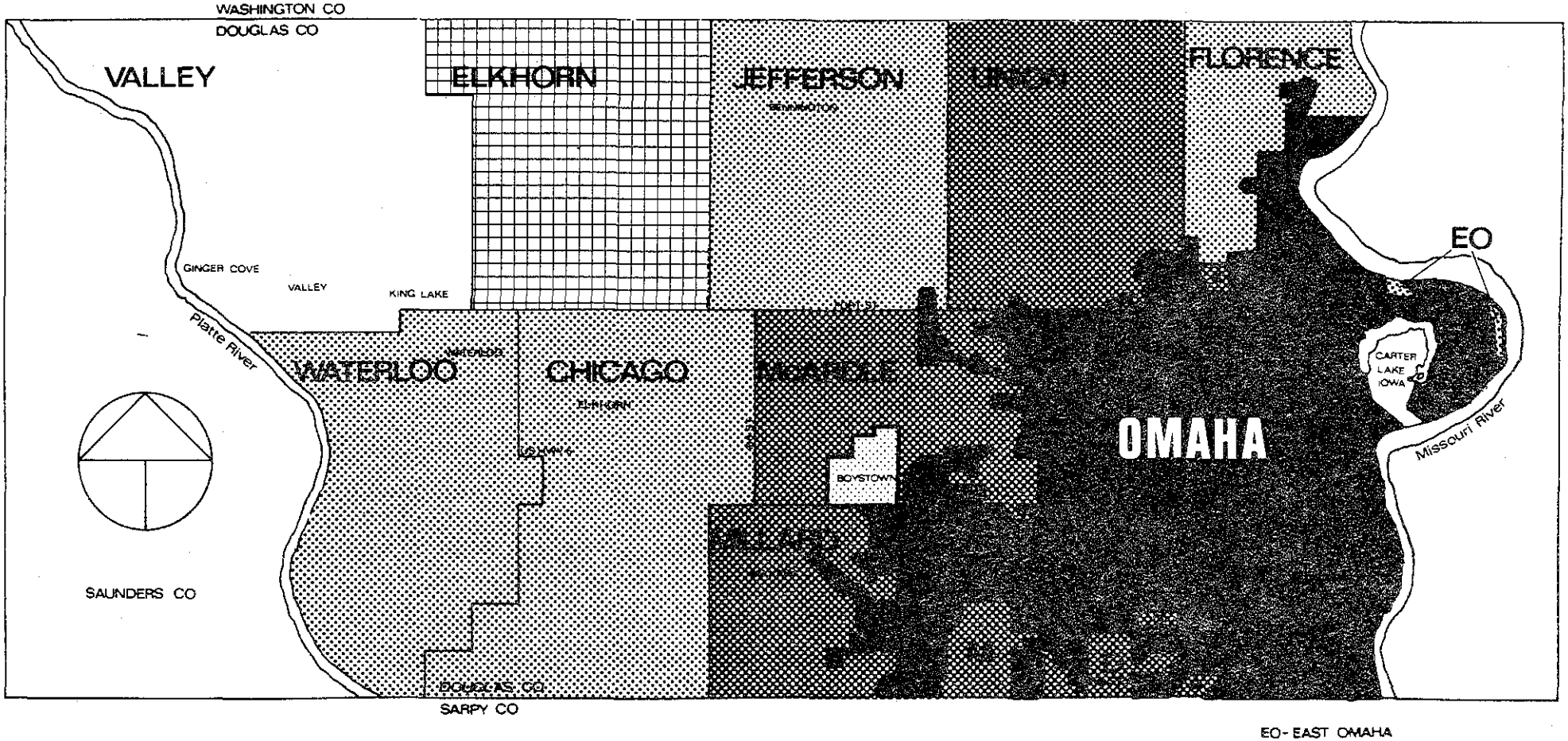
RESIDENTIAL

Field Book Assessment Districts Outside Omaha

LEGEND

% OF PROPERTIES & % TAX CHANGE

- 75-100% W/5% OR MORE DECREASE
- 50- 74% W/5% OR MORE DECREASE
- NO MAJORITY INCREASE OR DECREASE
- 50- 74% W/6% OR MORE INCREASE
- 75-100% W/6% OR MORE INCREASE



EO - EAST OMAHA
B - BENSON
M - MILLARD
D - DOUGLAS

PREPARED BY HCD DEPARTMENT
CITY OF OMAHA

TABLE 12

IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY
A FREQUENCY DISTRIBUTION OF CHANGES IN TAX LIABILITY
FOR ALL REAL PROPERTY CLASSES
(1976 ASSESSMENTS)

% Change in Tax Liability	No. of Properties In Each Class	% of Improved Properties In Each Class-Cumulative		% of Total Properties In Each Class-Cumulative	
Decrease 57% or more	6,154	5.7%	5.7%	4.4%	4.4%
Decrease 21% to 57%	32,607	30.2%	35.9%	23.6%	28.0%
Decrease 13% to 21%	11,311	10.5%	46.4%	8.2%	36.2%
Decrease 13% to 5%	13,154	12.2%	58.6%	9.5%	45.7%
Decrease 5% to Increase 6%	12,908	12.0%	70.6%	9.3%	55.0%
Increase 6% to 19%	10.385	9.6%	80.2%	7.5%	62.5%
Increase 19% to 36%	6,975	6.4%	86.6%	5.1%	67.6%
Increase 36% to 59%	4,668	4.3%	90.9%	3.4%	71.0%
Increase 59% or more	40,148*	9.1%	100.0%	29.0%	100.0%
		107,981 Properties		138,310 Properties	

* Includes 30,329 Vacant Lots

TABLE 13

IMPACT OF A TOTAL LAND VALUE TAX FOR OMAHA/DOUGLAS COUNTY
IN RELATION TO PROPERTY VALUES
FOR ALL REAL PROPERTY CLASSES
(1976 ASSESSMENTS)

Total Property Value (Land & Improvements)	No. of Properties		Improved Properties		Total Properties	
	Improved	Total	% of Properties w/5% or more decrease	% of Total Properties	% of Properties w/5% or more decrease	% of Total Properties
$ 1 thru $ 1,000	326	15,646	8%	0%	0%	11%
1,001 thru 4,000	5,232	15,899	50%	5%	16%	12%
4,001 thru 7,000	12,629	14,294	50%	12%	44%	10%
7,001 thru 10,000	15,962	16,630	33%	15%	32%	12%
10,001 thru 15,000	24,672	25,365	49%	23%	47%	18%
15,001 thru 20,000	18,266	18,583	74%	17%	73%	14%
20,001 thru 30,000	16,186	16,627	78%	15%	76%	12%
30,001 thru 40,000	7,303	7,457	80%	7%	78%	6%
40,001 thru 50,000	2,565	2,680	75%	2%	72%	2%
50,001 thru 100,000	2,876	3,068	60%	3%	57%	2%
100,001 thru 500,000	1,509	1,602	56%	1%	53%	1%
500,001 and over	455	459	77%	0%	76%	0%
TOTAL	107,981	138,310	--	100%	--	100%

AVERAGE PROPERTY VALUE IMPROVED $26,288

AVERAGE PROPERTY VALUE VACANT $ 3,484

In Figures 7.1 and 7.2, the distribution of the impact very closely resembles that of the residential with concentration outside Omaha and in the southwest, northwest and near northeast.

The impact of LVT in effect will also change the aggregate proportion in which each class of property contributes to the tax base. To show the change accurately each class must be separated into unimproved (vacant) and improved properties. Table 14, presents this change from the present property tax to LVT.

In Table 15, the change in actual tax under the present property tax to LVT is shown per $1,000 of valuation and a tax of $35.00. As the improvement value increases the tax in relation to total value decreases. At one end the largest increase is in vacant land where the present tax is $35.00, under LVT it would be $166.60. At a ratio of 3.76 (the county average) there would be no change in the tax and at a ratio of 20 the tax would reduce to $7.93 from $35.00.

All County Assessor's currently place a separate value on land and improvements, but the statement sent to the tax payer only includes the total assessed value (35% of full value). By obtaining the two values each property owner could use Table 15 to find what his tax would be under LVT.

Applying the same formula to each class (improved and total), the average change per $1,000 can be shown. Table 16 shows these changes from a tax of $35.00 per $1,000 of value to LVT per $1,000 of total value.

PROJECTED LONG RANGE IMPACT

The preceding impact approach is based on actual conditions existing in Omaha/Douglas County in 1976, while the projected impact in terms of economic development, private/public investment and operating costs can at best only be estimates.

The initial impact of a LVT, as shown in the first part of this section, should not over shadow the longer range impacts. Many of the expected costs and benefits were discussed earlier in the discussion of the differences of the land tax and the improvement tax. The following is a more specific projection of the long range impact.

The change to LVT in general terms anticipates a shift in investment decisions to the forces of the free market system on the local level and renders government subsidies, from public transportation to redevelopment, unnecessary or very minimal as compared to those granted today.

FIGURE 7.1

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTIES

ALL PROPERTY CLASSES

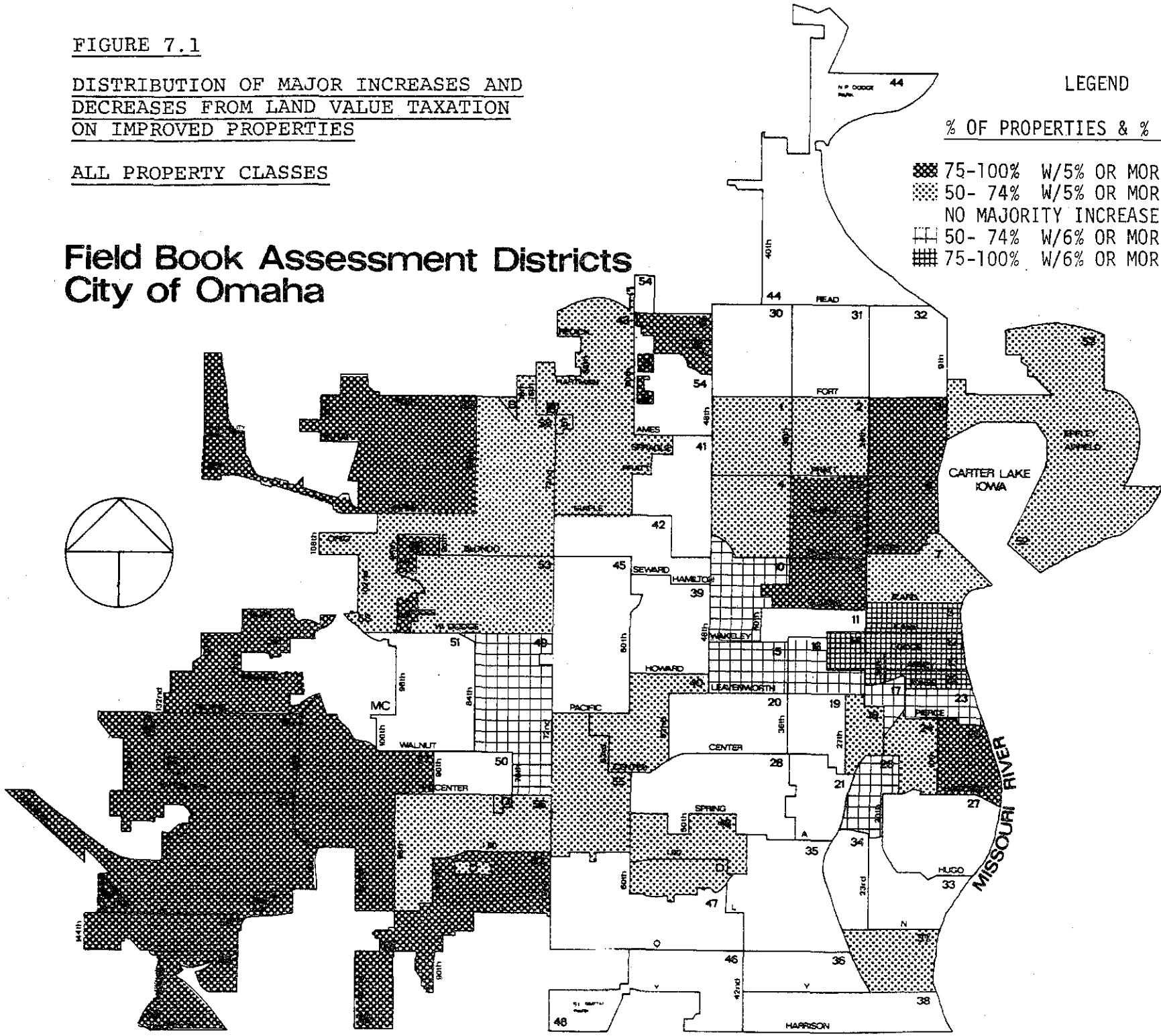


FIGURE 7.2

DISTRIBUTION OF MAJOR INCREASES AND DECREASES FROM LAND VALUE TAXATION ON IMPROVED PROPERTIES

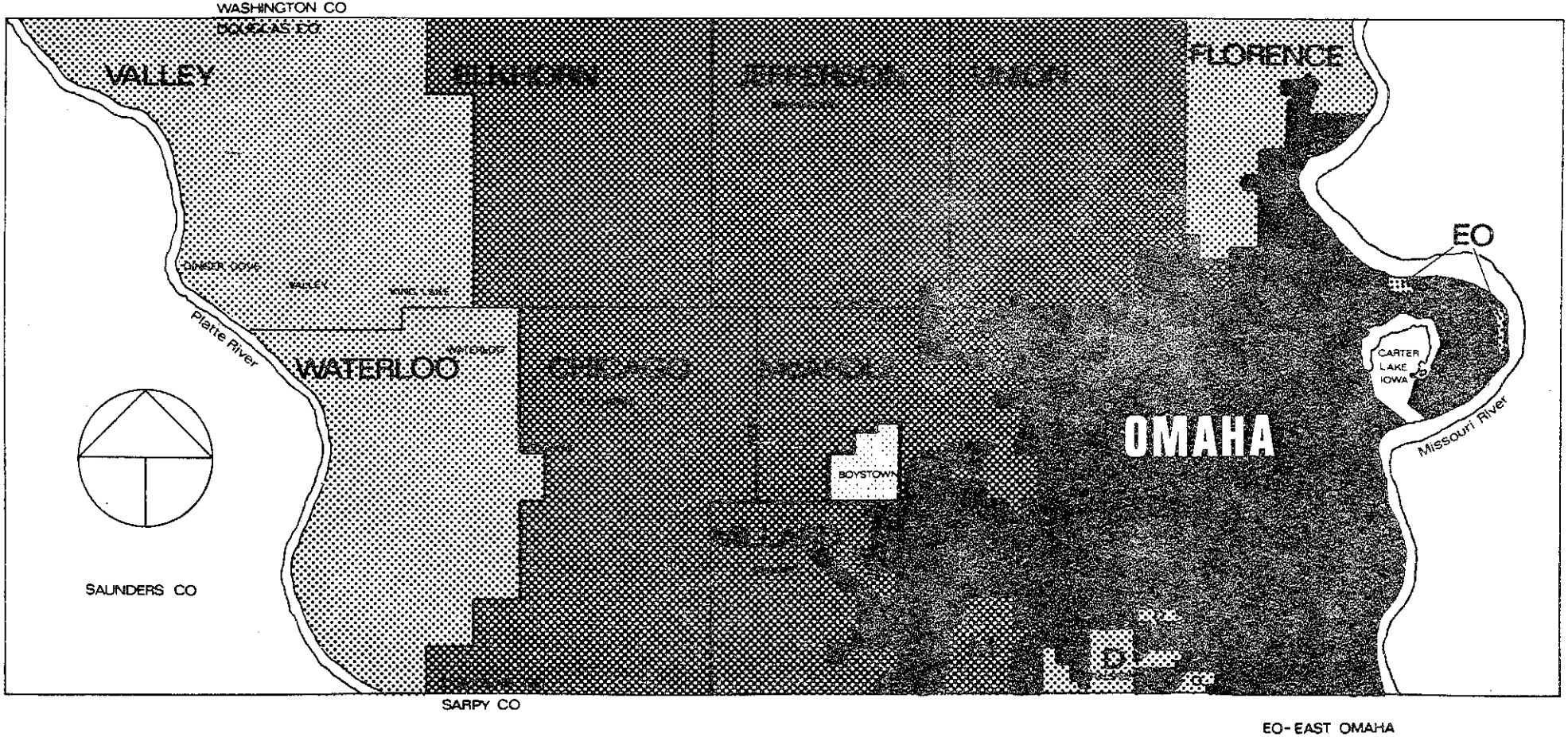
ALL PROPERTY CLASSES

Field Book Assessment Districts Outside Omaha

LEGEND

% OF PROPERTIES & % TAX CHANGE

- 75-100% W/5% OR MORE DECREASE
- 50- 74% W/5% OR MORE DECREASE
- NO MAJORITY INCREASE OR DECREASE
- 50- 74% W/6% OR MORE INCREASE
- 75-100% W/6% OR MORE INCREASE



EO - EAST OMAHA
B - BENSON
M - MILLARD
D - DOUGLAS

PREPARED BY HCD DEPARTMENT
CITY OF OMAHA

TABLE 14

CHANGES IN TAX BASE DISTRIBUTION UNDER LAND VALUE TAX
BY CLASS IN OMAHA/DOUGLAS COUNTY

Property Class	% of Present Tax Base		% of Land Value Tax Base	
Agriculture				
unimproved	.50%		.50%	
improved	1.08%		1.01%	
total		1.58%		1.51%
Commercial				
unimproved	1.18%		5.80%	
improved	22.20%		27.14%	
total		23.38%		32.94%
Industrial				
unimproved	.44%		2.05%	
improved	8.82%		5.46%	
total		9.26%		7.51%
Multi-Family				
unimproved	.12%		.58%	
improved	11.66%		7.60%	
total		11.78%		8.18%
Residential				
unimproved	1.34%		6.29%	
improved	52.66%		43.57%	
total		54.00%		49.86%
Total				
unimproved	3.58%		15.22%	
improved	96.42%		84.78%	
Grand Total		100.00%		100.00%

TABLE 15

CHANGES IN TAX LIABILITY FROM LAND VALUE TAXATION
IN RELATION TO IMPROVEMENT/LAND RATIOS
OMAHA/DOUGLAS COUNTY
(1976 ASSESSMENTS)

IMPROVEMENT/ LAND RATIO	CURRENT TAX* PER $1,000 MARKET VALUE	TAX UNDER LVT PER $1,000 MARKET VALUE
Unimproved	$35.00	$166.60
1.00	35.00	83.30
1.50	35.00	66.64
2.00	35.00	55.53
2.50	35.00	47.60
3.00	35.00	41.65
3.50	35.00	37.02
3.76 (County Average)	35.00	35.00
4.00	35.00	33.32
4.50	35.00	30.29
5.00	35.00	27.77
6.00	35.00	23.80
7.00	35.00	20.82
8.00	35.00	18.51
9.00	35.00	16.66
10.00	35.00	15.15
20.00	35.00	7.93

* Assessed Value (35%)
$350, and 100 mills levy.

TABLE 16

CHANGES IN TAX LIABILITY FROM LAND VALUE TAXATION
AVERAGE PROPERTIES BY CLASS
OMAHA/DOUGLAS COUNTY
(1976 ASSESSMENTS)

CLASS	AVERAGE IMPROVEMENT TO LAND RATIO	CURRENT TAX* PER $1,000 MARKET VALUE	TAX UNDER LVT PER $1,000 MARKET VALUE
Commercial			
Improved	3.01	$35.00	$41.55
All Property	2.48	35.00	47.87
Industrial			
Improved	6.55	$35.00	$22.07
All Property	4.76	35.00	28.92
Multi-Family			
Improved	6.16	$35.00	$23.27
All Property	5.73	35.00	24.75
Residential			
Improved	4.65	$35.00	$29.49
All Property	4.06	35.00	32.92
All Classes			
Improved	4.42	$35.00	$30.74
All Property	3.76	35.00	35.00

*Assessed Value (35%)
$350, and 100 mills levy.

Depending on the partial or total shift to LVT and the swiftness of the change, more economic pressure will be centered on the improvement of vacant and underdeveloped land. This pressure could be strong enough to expect all vacant property to be improved, in relation to it land value, to at least equal that of improved property. This would amount to, in new construction, approximately $397 million in private investment in Omaha/Douglas County. By class, this investment would be $105 million in commercial, $84 million in industrial, $23 million in multifamily, and $184 million in residential. Also, the investment in replacement building, remodeling, and upgrading of improvements, existing today, would probably be several times that of the new construction on vacant lands.

Under LVT the full economic potential of the area would be unlocked with initially a boom in new construction on vacant land, renovation of existing buildings, and renewal of underdeveloped property. After the initial boom in the local economy (that may last as long as 10 years), LVT would tend to stablize future building construction and reconstruction, but at higher levels than at present.

Nebraska was once known as the "white spot" in the nation, prior to 1967, until the adoption of the sales and income taxes. If Nebraska is the first to adopt a LVT it may again be the "white spot" of the nation because of the untaxing of improvements and reasonably priced land. Thus, holders of land would find an increased demand for their land and few will have reason to"hold out" because the land tax would neutralize the possibility of future speculative gains.

The need for restrictive urban growth policies and the adoption of additional sources of revenue would be reduced or eliminated due to changing demands on services, while the need and effectiveness or urban planning would be increased.

According to a recent U. S. Government report the costs of a 6,000 acre sprawl development with 10,000 residential units would be:

Capital Costs for schools, open space/ recreational, public facilities, streets, and utilities	$136,000,000
Operating Costs for 10 years	109,000,000
Environmental and personal costs like air pollution, noise, water and energy conservation, travel time, traffic, accidents and crime	++++++++++++
TOTAL	$245,000,000

In Omaha/Douglas County there are more than 6,000 acres of vacant urban land and LVT would encourage the development of these lands and save most of the costs above without local government restrictions and no public subsidies. Also, the new development in the older areas, instead of the newly converted raw land, would encourage the preservation of the older areas and redevelopment along side the new development.

The discussion of land inflation and speculation of the fringe areas is most noticable but little attention has been focused on the speculation of older commercial areas. Some estimate that because of the accelerated depreciation allowed under the federal income tax and the present property tax practices that speculation in the older commercial areas is several times higher than that in the fringe areas. LVT would hit hard this type of speculation and is one reason why commercial properties would generally pay more initially under LVT. While the speculator would be substantially eliminated from the older business areas property owners truly in business and needing to expand could remodel or rebuild without the threat of increased taxes.

IMPLEMENTATION OF LAND VALUE TAXATION

Is a Land Value Tax (LVT) needed? More and more experts are including it in their proposed solutions to the multitude of problems all economies are currently facing.

On May 20, 1976, Dr. Robert Wood, President, University of Massachusetts, before the Joint Economic Committee of the United States Congress stated, "The plain fact is that not only the poor American but the middle American is being priced out of the housing market today. Unless we gain control over urban land prices, unless we make sure that land values created by public investment are returned to the public, we will continue to deny most Americans a chance to own homes"[8]

The international conference on urban settlements, "Habitat", sponsored by the United Nations in June, 1976, also called for such financial mechanisms as well as legal, in its four point program on land use:

--Facilitate programs of land assembly and urban renewal.

--Assure adequate land supplies for public buildings and service infrastructure.

--Recapture value added to private holdings owing to public action.

--Guarantee sufficient land at fair prices for lower-income housing.

Thus, the basic question then is how to implement LVT and how long a period of time should LVT be given to its total adoption.

Implementation of LVT can take many forms. One form is the graded property tax in which improvements (buildings) are taxed at a lower rate than land, as used in several areas in the United States. Another form is a gains tax as used in Vermont. Also, the total exemption of improvements as used in several foreign countries can be adopted, (See Appendix A for a brief discussion of these uses).

While the total adoption of LVT would require new legislation, a form of graded property tax could be implemented administratively as was done in Southfield, Michigan where land was given priority in the reappraisal function and liberal use of depreciation methods for buildings as well as determining the value of vacant property on its potential use and not on its present use. The problem with this approach is that it is very susceptible to political pressure, legal contests, and tends to be unstable as it may come and go with administrations. Also, the biggest obstacle is that a reappraisal emphasizing land values impacts on the property immediately with the possible effect of driving land values down faster than the market can absorb them with new improvements. Vacant and deteriorated property did not just immediately exist but is a result of actions over several decades and such an immediate uncontrolled impact might be considered a potential economic "over dose" for the community even though major tax reductions would accrue to those generally benefitting from a LVT.

Realizing the basic reason that a city or town exists, "to bring people together to overcome the barriers of distance to engage in trade and commerce", the present property tax in concert with the advent of the private auto has tended to break any previous barriers to the physical size of cities, resulting in agricultural lands being converted to urban uses at an unprecidented rate in the past two decades and that older parts of the cities are being abandoned with no economic pressure for the reuse of these once valuable lands.

Several criteria can be used in coming up with a plan for implementation and criteria can be developed, to meet the needs of the particular community, area or state, by answering several factual and policy questions. Some of the questions could be:

1. Given the existing construction levels, how long would it take to use up all the vacant urban land existing today?

2. Should all or selected taxing subdivisions be directed to use the plan, (cities, counties, school districts, improvement districts, etc.) voluntarily or manditorily? Should it be state-wide or local option?

3. Should a local vote of the people be required?

4. Should a graded tax or a land value tax be the final goal? If a graded tax, how far should it go?

5. How shall the increments of the change be initiated, yearly, every other year, by approval of the local taxing government, or the legislature or the Governor?

6. Shall the change only effect certain classes of the property tax base, (agricultural, commercial, industrial, etc.)?

7. Shall each land use class be treated differently?

8. Shall special relief be provided in hardship cases, for low income, for elderly? How to pay for the special relief?

9. Should a notice be sent to property owners of the effect it will have on their tax liability if a LVT is adopted?

10. Should a limit be put on amount of taxes levied on land? On improvements?

The above list doesn't intend to be complete but to be a starting point for the implementation of a change toward LVT. Some of these questions have been answered by those areas that have totally adopted or taken steps towards a LVT.

In Nebraska the first barrier to implementation of any form of LVT or graded property tax, other than administrative, is the Nebraska Constitution and more specifically Article VIII, Section 1. That Section requires that, "Taxes shall be levied by valuation uniformly and proportionately on all tangible property..." Many changes by Constitutional Amendment have changed this concept by special provisions for personal property, agricultural lands, intangible property and motor vehicles.

To implement land value taxation the "uniformity clause" above would need to be amended to provide for "uniform and proportional taxation of land and improvements as separate classes, as determined by the legislature". Also, LVT could be implemented under Section 2, of the same Article as personal property tax exemption was implemented. As provided by Section 2, "Household goods and personal effects, as defined by law, may be exempted from taxation in whole or in part, as may be provided by general law...". This section could be extended to improvements to real property to implement LVT. Once this initial barrier has been overcome it would then be up to the legislature to implement this provision.

Since the concept of LVT calls for the lowering or untaxing improvements and raising taxes on land values to make up for the lost revenue, existing tax levy limits will present a problem. This is a major problem for local county governments since their limit is set by Article VIII, Section 5, of the Nebraska Constitution.

he 1970 Nebraska Constitutional Convention recommended that this section be stricken from the Constitution. When placed on the ballot it was rejected by the voters. This particular problem, however, can be overcome if the enabling legislation required a local vote of the people or if a local special election was held after LVT was authorized.

Concerning the scope of implementation, LVT could not be required for all local governments within a particular county since almost all local governments are either authorized to or now extend outside county boundaries. But, as experienced in the Pittsburgh Graded Tax Plan, if the concept is limited to only cities and only a small part of the property tax, the expected results will be minimal or small. If a local vote is required all local governments could be included in one special election with options for any local government to be excluded by action of the local governing board, provided no petition required them to be on the ballot.

In Australia, LVT is a local option with a local vote of the people required, but what is interesting about Australia and a major reason for its popularity, is that prior to the election each property owner is sent a notice of what his tax would be under LVT and the present system. This notice provision would insure the successful adoption of LVT if a local vote was required or not in Nebraska. As shown in many impact studies, besides the one in this report, LVT results in lower taxes for the majority of all property owners. While local option allows two other forms of property tax, (capital system like this is used throughout the U. S. and the annual rental based on the market rent), only one city has returned, after once adopting LVT, to one of the other methods since it was first authorized in the late 1880's.[9]

The method of implementing the incremental changes to a LVT is probably the most important aspect of getting a change passed. Most property tax experts agree that 5 to 10 years would be necessary to smoothly shift from the present tax system to a total LVT.

The method used in Pittsburgh was to reduce the building tax by 10% each third year until the tax rate on buildings was half that on land. This was slow and went only a fraction of the way towards a total LVT.

While the method of reducing the tax rate on buildings has been used there are other methods to achieve the same end. A similar but more effective method is to exempt a portion of the improvements over a period of years, while maintaining one tax rate as used currently in Western Canada.

Yet another method could be used in Nebraska particularly. Since all property is now appraised at full value and assessed at 35% of full value, incremental changes could be made in the proportional amounts of assessed value for land and improvements. An example of this would be a three step graded property tax as follows:

Agricultural land would remain at 35% of full value.

Step 1. Land assessed at 60% of full value and improvements assessed at 30% of full value for two years.

Step 2. Land assessed at 80% of full value and improvements assessed at 25% of full value for two years.

Step 3. Land assessed at 100% of full value and improvements assessed at 20% of full value for all following years.

The above example in Nebraska would provide approximately the same amount of revenue in each step to local governments across Nebraska with little or no change in the existing mill levies. In terms of actual dollars the above graded property tax example would result in approximately the same revenue from land taxes and improvement taxes. Like the Nebraska sales and income tax, in which rates are set so that the two taxes provide approximately the same revenue, the goal of a graded property tax might be to set rates or proportional assessments so that land taxes are approximately equal to the taxes generated by improvements. The above example (Proportional method) would be more applicable to state wide adoption but could be in addition to local option to set rates separately on land and improvements.

In the above example and as part of the impact conditions used in the previous section agriculture was treated differently than all other classes. This can be justified since, first, the economic nature of agriculture is land intensive and uses land, while urban land is not necessary except as a site for improvements, parks, streets, etc. Second, there is a positive need to conserve agricultural land and prevent unnecessary conversion to urban uses. A special Nebraska Constitutional Amendment was passed because of this need and a law commonly referred to as the "Greenbelt Law", enacted this Amendment. Either the Greenbelt Law or some other method should be provided for in the implementation of LVT.

In Hawaii the graded property tax plan adopted in 1963, called for separate tax rates for each land use class on land and improvements. Property tax experts have, for this reason, found that the Hawaii plan is far to complicated than need

be and some have called for its repeal. Economically there is no justification for setting separate tax rates on land and improvements by class, except agriculture, since all classes have approximately the same improvement/land ratios or potential for average improvement/land ratios. Also, classification methods of property tax, not separating land from improvements, have been politically motivated to tax businesses more and home owners less. Classification of this type have thus been opposed by economists, business and industry. Also, in the long run the total community suffers from the lack of business development and industrial investment that creates jobs and property tax revenue.

Any proposal must look at the impact on the low income persons and the elderly. Currently the State provides substantial property tax relief or total exemption to low income elderly and veterans. If necessary this type of relief could be extended to all poverty or low income families, if a need develops. If this relief is extended caution should be used in determining the need since there are some that have no federal income tax liability and thus "no income", who are in fact not in need. Another alternative is that a home owner could be granted a deferred increase from an increase due to the change until he sells or rents or no longer occupies the property as his personal residence. This type provision would be self eliminating. The owner that improves his property would not be eligible under this provision since this is what would be expected under LVT.

The major concern immediately, in regard to LVT, among public officials is that government would become the owner of large numbers of properties from increasing tax delinquencies and forthcoming foreclosures. This concern is mostly founded on experiences with the present property tax structure and economically the property tax is two taxes completely different with opposite economic effects.

Tax delinquency has in recent years become an ever increasing problem for many local governments and in many cases the difference between having enough revenue or running into a budget deficit. In 1973, in Douglas County, $9.2 million in real estate taxes were unpaid. In 1975, three years later, the back taxes unpaid was at $14.0 million or a 51% increase. As property taxes continue to climb the delinquency probably will also rise if nothing is changed. The reasons are not truely clear that the property tax rates are totally to blame. This is because there is no penalty for not paying the tax and only a 9% annual (3/4% per month) simple interest rate charged for late payment, (3 months after it is due). In many cases the interest is cheaper than market rate interest,

thus it becomes more profitable not to pay the tax, while it increases the cash flow of the property owner at the expense of the person who pays the tax on time and higher tax rates to solve the governments cash flow. Since the current procedure for foreclosure takes about 6 years, the threat of foreclosure is also not an immediate threat.

Investigating the average period until back taxes are paid the majority is paid in three months to one year and 86% of the taxes due three years or less were paid.

The "real delinquency" in property taxes comes from property that has virtually lost all its market value. The property tax at present offers no end to this problem and only large public subsidies have caused it to be used again. This concern of LVT does not seem founded on factual or sound reasoning.

NOTES

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3. Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, (Washington, D. C.: U. S. Government Printing Office , Report No. M-79, 1974), Table 104, p. 175.

4. Nebraska Department of Revenue, 1973 Annual Report of the Nebraska Department of Revenue, (based on calculated revenues from incomes, property and sales taxes for 1973).

5. Arthur Becker, "What More Could the Cities Be Doing to Help Themselves?" Nation's Cities Magazine, February, 1972, p. 22.

6. Perry Prentice, "Harnessing the Profit Motive to Better land use" (Speech before the Council for Urban Economic Development, St. Louis, Missouri, November 25, 1974).

7. U. S. Department of Housing and Urban Development, Council on Environmental Quality and Environmental Protection Agency, The Costs of Sprawl, (Washington, D. C.: U. S. Government Printing Office, 1974), pp. 6-14.

8. Robert Wood, "A Seven Point Agenda Proposed for Meeting the Crisis in American Cities", Journal of Housing, May, 1976, p. 219.

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APPENDIX A

LAND VALUE TAXATION IN THE UNITED STATES

AND

SEVERAL FOREIGN COUNTRIES

Land Value Taxation (LVT) has been only partically used in the United States, and no city has adopted a total land value tax, but there has been an increasing interest in the concept of taxing land values more heavily than improvement values. The most used or referred to method is the "graded property tax". This is also sometimes referred to as the "Pittsburgh Plan".

Pittsburgh, Pennsylvania. The Pittsburgh Graded Tax Plan, adopted by the Pennsylvania Legislature in 1913, called for the reduction in the tax rate on improvements by 10% each third year to correspond with the triennial assessment year. This continued until the tax rate on improvements reached 50% of the tax rate on land in 1925. Today land in Pittsburgh is still taxed at twice the rate of improvements.

There is little concrete evidence that this tax change had a significant impact on tax rates, development or redevelopment. This is principally because the tax rate applies only to the property tax levied for the city and doesn't apply to rates charged by schools, county or any other local governments.

Pennsylvania General Assembly is currently considering a set of seven bills that would extend the authority to all local governments and to allow any rate to be set on land and improvements separately. One of the bills (number 1494) for towns reads as follows:

> "The council of any incorporated town may, by ordinance, in any year levy separate and different rates of taxation for town purposes of all real estate classified as land, exclusive of the buildings thereon, and on all real estate classified as buildings on land. When real estate taxes are so levied, (i) the rates shall be determined by the requirements of the town budget as approved by council, (ii) higher rates may be levied on

> land if the respective rates on lands and buildings are so fixed so as not to constitute a greater levy in the aggragete than the maximum rate applicable to both land and buildings, and (iii) they shall be uniform as to all real estate within such classification".

Southfield, Michigan. After considerable turmoil within city hall and later in the courts over low land values, Southfield now reappraises all land each year and improvements every other year. This practice has shifted more of the burden of the property tax to land.[1]

A report to the U. S. Department of Housing and Urban Development on property tax incentive programs gives no credit to the reappraisal of land values for the building boom and property tax reductions in Southfield, the local assessor disagrees. With the reappraisal and emphasizing land values the result (directly or indirectly) was that most homes received a tax decrease (of about 22%) and a building boom that doubled the assessment roles in five years. Also, it is important to note that the property tax rate in Southfield was one-third that of Detroit and that Southfield does not use a city income tax while many Michigan cities do.[2]

Fairhope, Alabama. The closest form of LVT was developed in Fairhope, through the Fairhope Single Tax Corporation. This corporation owns a large section of Fairhope for the purpose of leasing the land, be it commercial or residential. The long term leases and rents are determined annually based on the value of the land exclusive of the improvements on the land. The corporation then pays the property taxes to the local governments based on the full value of land and improvements. The corporation established in 1904 now owns and leases over 4000 acres. Starting with undeveloped land in 1904, a town named after the corporation was started and little property is unimproved.[3]

There appears to be little doubt that the land value rental system of the Fairhope Single Tax Corporation has provided significantly greater incentive for the improvement of property than the surrounding area. While the property of the corporation developed much faster than other property the tax rate is very low at $.82 per $100 of full value.[4]

California. While LVT is not authorized in California, special irrigation district legislation, adopted in the late 1880's and still used today, authorized the forming of a district to provide water and that the costs of such a district

be paid by "assessments" on the value of the land exclusive of the improvements. Since the legislation provided for annual "assessments" as opposed to "taxes" the district law was found to be legal and not in violation of the state constitution calling for equal taxation of land and improvements.[5]

The intensively farmed Central Valley of California is a result of the irrigation district law. While the method of financing cannot be labeled the cause of the development many in California feel that the Central Valley would not be as intensively used as it is today if it were not for the LVT assessments.[6]

Hawaii. After reviewing the "Pittsburg Plan" the State of Hawii adopted a very complicated form of the graded property tax. As applied in Hawaii separate tax rates on land and improvements for each of several different classes of property, except improved residential, agricultural and conservation were excluded from the plan. Thus, the classes of property affected are hotel-apartment-resort, commercial, industrial and unimproved residential.[7]

Under the graded tax plan (adopted in 1963) the tax rate for buildings was set at 90% of the land tax rate in 1966, with the rate on buildings to decrease by 10% every two years at the direction of the Governor until the building tax rate was at 70%. After it reached 70%, individual counties were to be authorized to reduce the tax to a limit of 40% of the tax rate on land. The Governor stopped the plan from being implemented beyond the 80% level on building.[8]

While Hawaii has a property tax rate of less than one percent, the reasoning behind the legislation was to conserve the limited land resources.

North Dakota. While LVT has been generally thought of as a need of urban areas North Dakota in 1925 exempted all agricultural improvements from the property tax.

Vermont. As an alternative to changing the property tax and with the desire to curtail the speculation of land, the Vermont Legislature adopted in 1973, a gains tax on the sale or exchange of land.

The new tax applies to all land except owner occupied residences now exceeding five acres. The tax is based on values defined by the rules established under the U. S. Internal Revenue Code.

APPENDIX A

Generally the tax rates decrease as the period of time increases and the percent of gain decreases. The following table shows the rates and how they are applied.

	GAIN, AS A PERCENTAGE OF COST (ORIGINAL PRICE)		
YEARS HELD BY SELLER	0-99%	100-199%	200% or more
less than one year	30%	45%	60%
1 yr. but less than 2 yrs.	25	37.5	50
2 yrs. but less than 3 yrs.	20	30	40
3 yrs. but less than 4 yrs.	15	22.5	30
4 yrs. but less than 5 yrs.	10	15	20
5 yrs. but less than 6 yrs.	5	7.5	10

Source: Chapter 236, Section 10003, Vermont Statutes.

LVT IN FOREIGN COUNTRIES. LVT is practiced in many foreign countries including Australia, New Zealand, South Africa and Canada. While all allowed the use of LVT around late 1800's and early 1900's, many local governments are still, just recently, changing over to the LVT form of taxation from two other forms of property taxation that are allowed, being the capital value system like that of the United States and the annual rental value system.[9]

While LVT is not used anywhere in the U. S., the use in several foreign countries provides evidence that a tax only on the land value can support local government and in many countries supports part of the state and nation governments also.

The following table shows how the land value tax rates have changed in Sidney, Australia as well as the changes in land values and collections from the tax. Good news for taxpayers was the decrease in the tax rate from $3.85 per $100 of land value in 1952 to $2.19 per $100 of land value in 1963. Sidney adopted LVT in 1916.

CHANGES IN THE TAX BASE, RATES AND COLLECTIONS
SIDNEY, AUSTRALIA
1952 - 1963

Year	Taxable Land Value $ Millions	Tax Rate per $100	Collections $ Millions
1952	$143	3.85%	$ 5.588
1953	203	3.33	6.760
1956	241	2.99	7.212
1957	309	2.77	8.590
1962	424	2.66	11.060
1963	537	2.19	11.566

APPENDIX A

Source: NSW Statistical Register: Local Government (Bureau of Census and Statistics, Sydney) and Sydney City Council.

NOTES TO APPENDIX A

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2. Ted Gwartney, "The Southfield Story: A Lesson in Creative Taxation", City Assessor of Southfield, Michigan, pp. 1-6.

3. U. S. Department of Housing and Urban Development, Effects of Real Estate Incentive Programs, Chapter X, p. 3.

4. Ibid., pp. 7-9.

5. Arthur P. Becker, Land and Building Taxes: Their Effect on Economic Development, (Milwaukee: University of Wisconsin Press, 1969), pp.137-145.

6. Ibid.

7. U. S. Department of Housing and Urban Development, Effects of Real Estate Incentive Programs, Chapter VI, pp. 2-6.

8. Ibid.

9. International Research Committee on Real Estate Taxation, Municipal Improvement and Finance as Affected by the Untaxing of improvements and the Taxation of Land Value. (New York: Harper and Brothers, 1958), pp. 46-48.

APPENDIX B

LAND VALUE TAX IMPACT STUDY (DATA FORMAT)

FIELD BOOK All PROPERTY CLASS Total County

NUMBER OF PARCELS BY (IMPROVEMENT VALUE/LAND VALUE)

TOTAL PARCEL VALUE RANGE $	01	.01-1.0	1.0-2.0	2.0-2.5	2.5-3.0	3.0-3.5	3.5-4.0	4.0-4.5	4.5-5.0	5.0-10.0	10.0	TOTAL PARCELS
1 THRU 1,000	15,320	213	53	17	10	3	5	1	7	14	3	15,646
1,001 THRU 4,000	10,667	788	569	298	313	311	331	206	320	1,707	389	15,899
4,001 THRU 7,000	1,665	481	1,729	1,302	1,112	963	755	716	696	3,594	1,281	14,294
7,001 THRU 10,000	668	336	1,039	1,433	2,497	3,016	2,300	1,289	787	2,643	622	16,630
10,001 THRU 15,000	693	390	793	682	1,608	3,671	5,529	4,825	2,889	3,822	463	25,365
15,001 THRU 20,000	317	312	327	229	511	1,124	2,188	3,705	3,842	5,575	453	18,583
20,001 THRU 30,000	441	454	382	299	482	769	1,126	1,606	1,747	8,269	1,052	16,627
30,001 THRU 40,000	154	358	200	118	186	263	335	411	535	3,947	950	7,457
40,001 THRU 50,000	115	171	122	66	74	78	121	181	232	1,209	311	2,680
50,001 THRU 100,000	192	409	291	116	99	105	121	116	167	1,129	323	3,068
100,001 THRU 500,000	93	169	189	93	67	68	81	83	76	494	189	1,602
500,001 AND OVER	4	14	30	15	16	14	16	15	13	204	118	459
TOTAL PARCELS	30,329	4,095	5,724	4,668	6,975	10,385	12,908	13,154	11,311	32,607	6,154	138,310

TOTAL VALUE LAND W/NO IMPROVEMENTS: 105,658,860

TOTAL VALUE IMPROVEMENTS: 2,297,747,485

TOTAL VALUE IMPROVED LAND: 540,874,045

APPENDIX B

LAND VALUE TAX IMPACT STUDY (DATA FORMAT)

FIELD BOOK A11 PROPERTY CLASS Agricultural

NUMBER OF PARCELS BY (IMPROVEMENT VALUE/LAND VALUE)

TOTAL PARCEL VALUE RANGE $	01	.01-1.0	1.0-2.0	2.0-2.5	2.5-3.0	3.0-3.5	3.5-4.0	4.0-4.5	4.5-5.0	5.0-10.0	10.0	TOTAL PARCELS
1 THRU 1,000	8	0	0	0	0	0	0	0	0	0	0	8
1,001 THRU 4,000	55	1	0	0	0	0	0	0	0	0	0	56
4,001 THRU 7,000	76	1	0	0	1	0	0	0	0	0	0	78
7,001 THRU 10,000	96	5	2	0	0	0	0	0	0	0	0	103
10,001 THRU 15,000	276	29	12	1	1	1	0	0	0	0	0	320
15,001 THRU 20,000	99	50	10	0	0	1	0	0	0	0	0	160
20,001 THRU 30,000	236	124	27	3	1	0	3	1	0	1	0	396
30,001 THRU 40,000	33	164	10	5	0	0	1	0	0	0	0	213
40,001 THRU 50,000	27	71	16	1	4	1	0	0	0	2	2	124
50,001 THRU 100,000	26	133	19	2	0	5	2	2	2	3	0	194
100,001 THRU 500,000	2	9	4	0	2	1	0	0	1	4	1	24
500,001 AND OVER	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PARCELS	934	587	100	12	9	9	6	3	3	10	3	1,676

TOTAL VALUE LAND W/NO IMPROVEMENTS: 14,675,225

TOTAL VALUE IMPROVEMENTS: 10,943,225

TOTAL VALUE IMPROVED LAND: 21,193,160

APPENDIX B

LAND VALUE TAX IMPACT STUDY (DATA FORMAT)

FIELD BOOK A11 PROPERTY CLASS Commercial

NUMBER OF PARCELS BY (IMPROVEMENT VALUE/LAND VALUE)

TOTAL PARCEL VALUE RANGE $			01	.01-1.0	1.0-2.0	2.0-2.5	2.5-3.0	3.0-3.5	3.5-4.0	4.0-4.5	4.5-5.0	5.0-10.0	10.0	TOTAL PARCELS
1	THRU	1,000	384	18	2	0	0	0	0	0	1	1	3	409
1,001	THRU	4,000	748	116	45	14	9	7	4	2	4	10	3	962
4,001	THRU	7,000	339	139	82	20	27	14	10	5	8	31	6	681
7,001	THRU	10,000	207	140	97	40	35	20	13	15	9	17	5	598
10,001	THRU	15,000	192	192	157	61	32	35	28	13	10	38	10	768
15,001	THRU	20,000	108	168	133	36	22	22	18	17	12	31	11	578
20,001	THRU	30,000	115	254	191	44	37	34	14	18	11	44	13	775
30,001	THRU	40,000	73	161	125	37	23	25	19	13	9	29	5	519
40,001	THRU	50,000	49	82	76	37	25	9	12	10	12	23	6	341
50,001	THRU	100,000	99	228	217	82	57	51	35	19	17	70	30	905
100,001	THRU	500,000	58	140	158	69	43	42	52	44	29	117	46	798
500,001	AND OVER		4	13	28	12	13	11	15	10	6	62	47	221
TOTAL PARCELS			2,376	1,651	1,311	452	323	270	220	166	128	473	185	7,555

TOTAL VALUE LAND W/NO IMPROVEMENTS: 34,780,755

TOTAL VALUE IMPROVEMENTS: 490,661,705

TOTAL VALUE IMPROVED LAND: 162,825,445

APPENDIX B

LAND VALUE TAX IMPACT STUDY (DATA FORMAT)

FIELD BOOK All PROPERTY CLASS Industrial

NUMBER OF PARCELS BY (IMPROVEMENT VALUE/LAND VALUE)

TOTAL PARCEL VALUE RANGE $	01	.01-1.0	1.0-2.0	2.0-2.5	2.5-3.0	3.0-3.5	3.5-4.0	4.0-4.5	4.5-5.0	5.0-10.0	10.0	TOTAL PARCELS
1 THRU 1,000	202	6	1	0	2	0	0	0	0	1	0	212
1,001 THRU 4,000	325	6	2	0	0	0	0	0	0	0	0	333
4,001 THRU 7,000	118	5	2	1	0	0	0	0	0	0	1	127
7,001 THRU 10,000	67	10	1	0	1	1	0	0	3	1	1	85
10,001 THRU 15,000	65	5	0	0	1	2	1	0	3	3	2	82
15,001 THRU 20,000	45	6	3	0	2	0	0	1	0	3	1	61
20,001 THRU 30,000	45	11	8	5	2	1	0	1	0	5	3	81
30,001 THRU 40,000	23	3	7	2	6	1	2	2	0	2	3	51
40,001 THRU 50,000	23	6	7	4	3	3	1	2	0	6	3	58
50,001 THRU 100,000	43	13	22	13	9	8	6	3	4	50	16	187
100,001 THRU 500,000	21	13	16	17	16	20	17	21	28	149	73	391
500,001 AND OVER	0	1	2	3	3	3	1	2	3	42	50	110
TOTAL PARCELS	977	85	71	45	45	39	28	32	41	262	153	1,778

TOTAL VALUE LAND W/NO IMPROVEMENTS: 12,927,870

TOTAL VALUE IMPROVEMENTS: 225,301,910

TOTAL VALUE IMPROVED LAND: 34,372,150

APPENDIX B

LAND VALUE TAX IMPACT STUDY (DATA FORMAT)

FIELD BOOK All PROPERTY CLASS Multi-Family Residential

NUMBER OF PARCELS BY (IMPROVEMENT VALUE/LAND VALUE)

TOTAL PARCEL VALUE RANGE $	.01	.01-1.0	1.0-2.0	2.0-2.5	2.5-3.0	3.0-3.5	3.5-4.0	4.0-4.5	4.5-5.0	5.0-10.0	10.0	TOTAL PARCELS
1 THRU 1,000	175	1	0	0	0	0	0	0	0	0	0	176
1,001 THRU 4,000	95	11	11	4	4	6	5	3	8	38	9	194
4,001 THRU 7,000	24	15	38	32	34	33	31	26	18	131	60	442
7,001 THRU 10,000	16	8	38	50	79	78	75	65	40	144	60	653
10,001 THRU 15,000	14	36	51	43	68	103	104	131	130	263	40	983
15,001 THRU 20,000	14	31	32	19	18	39	30	45	90	300	19	637
20,001 THRU 30,000	16	24	40	26	28	24	35	53	52	403	50	751
30,001 THRU 40,000	9	15	20	11	10	12	10	9	23	183	54	356
40,001 THRU 50,000	5	8	9	7	9	6	6	12	21	88	49	220
50,001 THRU 100,000	12	22	21	11	15	15	19	23	25	195	60	418
100,001 THRU 500,000	6	2	8	7	5	4	12	16	17	162	47	286
500,001 AND OVER	0	0	0	0	0	0	0	2	4	97	21	124
TOTAL PARCELS	386	173	268	210	270	320	327	385	428	2,004	469	5,240

TOTAL VALUE LAND W/NO IMPROVEMENTS: 3,636,345

TOTAL VALUE IMPROVEMENTS: 295,250,840

TOTAL VALUE IMPROVED LAND: 47,908,915

APPENDIX B

LAND VALUE TAX IMPACT STUDY (DATA FORMAT)

FIELD BOOK A11 PROPERTY CLASS Residential

NUMBER OF PARCELS BY (IMPROVEMENT VALUE/LAND VALUE)

TOTAL PARCEL VALUE RANGE $	01	.01-1.0	1.0-2.0	2.0-2.5	2.5-3.0	3.0-3.5	3.5-4.0	4.0-4.5	4.5-5.0	5.0-10.0	10.0	TOTAL PARCELS
1 THRU 1,000	14,551	188	50	17	8	3	5	1	6	12	0	14,841
1,001 THRU 4,000	9,444	654	511	280	300	298	322	201	308	1,659	377	14,354
4,001 THRU 7,000	1,108	321	1,607	1,249	1,050	916	714	685	670	3,432	1,214	12,966
7,001 THRU 10,000	282	173	901	1,343	2,382	2,917	2,212	1,209	735	2,481	556	15,191
10,001 THRU 15,000	146	128	573	577	1,506	3,530	5,396	4,681	2,746	3,518	411	23,212
15,001 THRU 20,000	51	57	149	174	469	1,062	2,140	3,642	3,740	5,241	422	17,147
20,001 THRU 30,000	29	41	116	221	414	710	1,074	1,533	1,684	7,816	986	14,624
30,001 THRU 40,000	16	15	38	63	147	225	303	387	503	3,733	888	6,318
40,001 THRU 50,000	11	4	14	17	33	59	102	157	199	1,090	251	1,937
50,001 THRU 100,000	12	13	12	8	18	26	59	69	119	811	217	1,364
100,001 THRU 500,000	6	5	3	0	1	1	0	2	1	62	22	103
500,001 AND OVER	0	0	0	0	0	0	0	1	0	3	0	4
TOTAL PARCELS	25,656	1,599	3,974	3,949	6,328	9,747	12,327	12,568	10,711	28,858	5,344	122,061

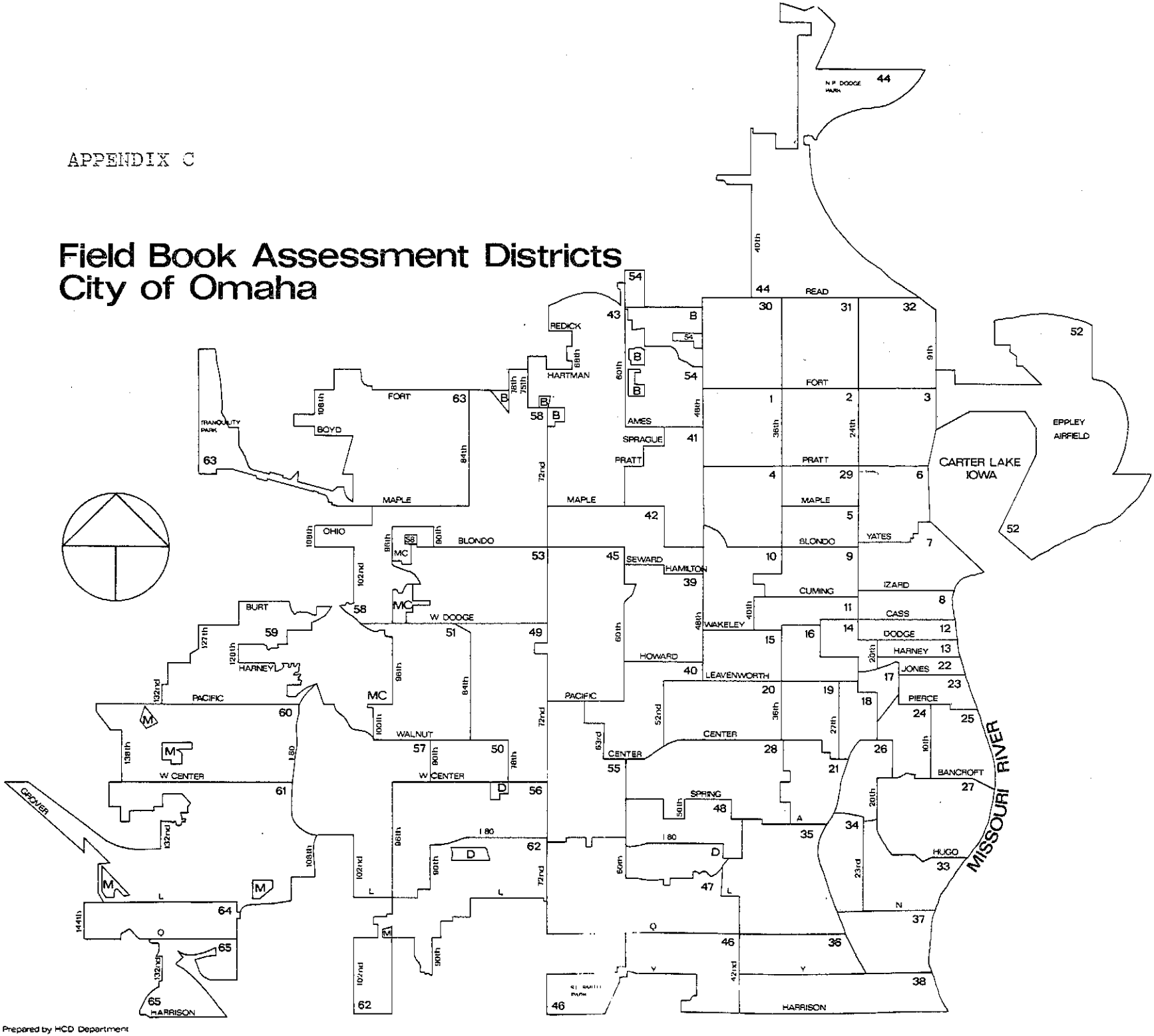
TOTAL VALUE LAND W/NO IMPROVEMENTS: 39,638,665

TOTAL VALUE IMPROVEMENTS: 1,275,589,805

TOTAL VALUE IMPROVED LAND: 274,574,375

APPENDIX C

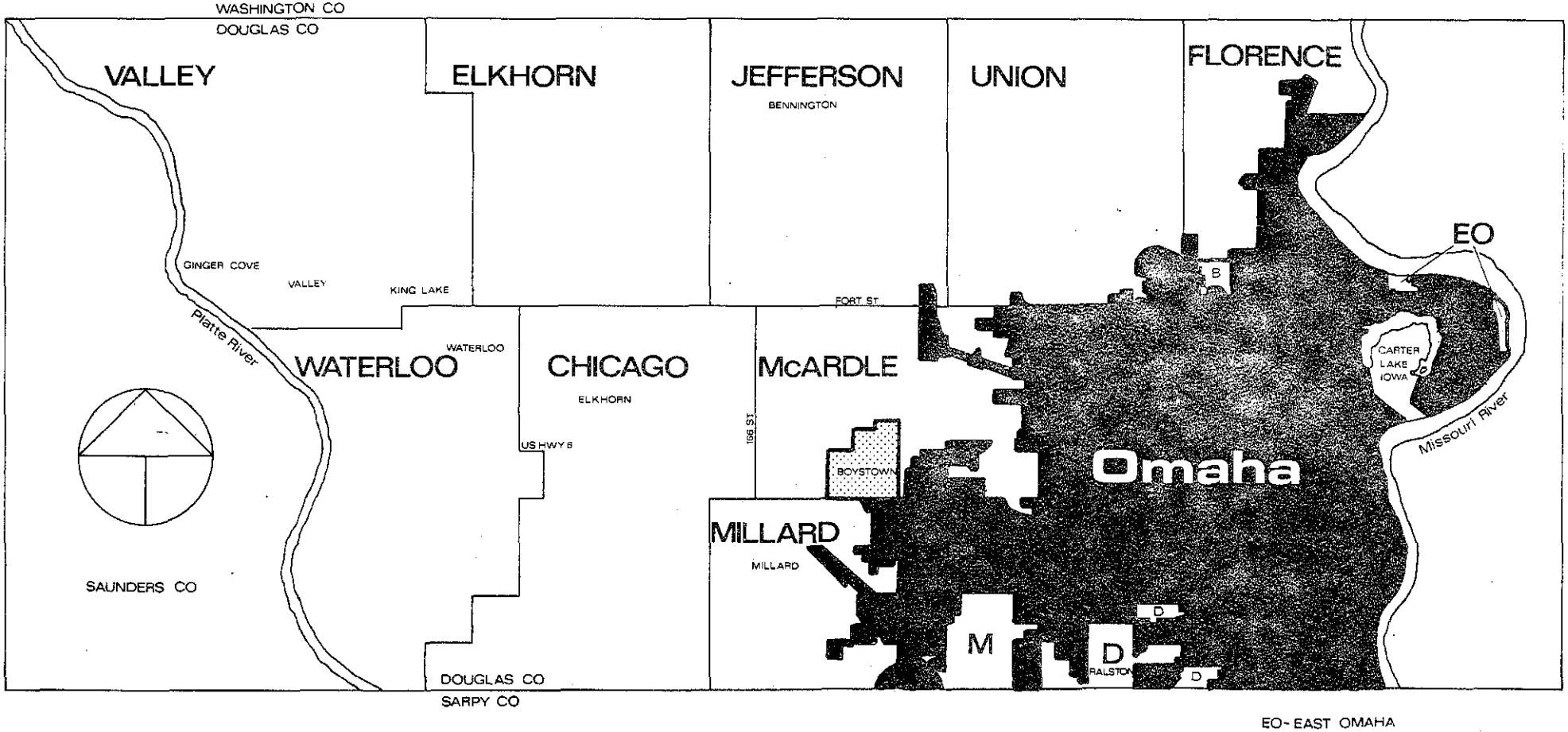
Field Book Assessment Districts
City of Omaha



Prepared by HCD Department
City of Omaha

APPENDIX C

Field Book Assessment Districts Outside Omaha



EO - EAST OMAHA
B - BENSON
M - MILLARD
D - DOUGLAS

PREPARED BY HCD DEPARTMENT
CITY OF OMAHA

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