



THE LIBERAL DEMOCRATS

ALTER

ACTION FOR LAND TAXATION & ECONOMIC REFORM

29/8/12

**Model Three Minute “LVT Elevator Pitch”**

Welcome from Liberal Democrat ALTER. We campaign for Land Value Tax. This is a three minute pitch explaining its basics.

Land Value Tax is would be payable each year depending on the location and size of a plot. We advocate that it should replace some existing taxes. It should not add to the overall tax burden. Land means the site alone. A vacant plot in a row of houses would be taxed the same as a similar built-on plot. It taxes the size and location of the plot. It does not tax buildings or other works.

There are three strong arguments for the tax. It is socially just. It is the best way of financing infrastructure. And it is economically efficient.

First social justice. Property taxes are fairer than income taxes. In the UK the wealthiest 1% own almost 25% of all property. Today we base the tax system almost entirely on income rather than assets. This means the very rich avoid paying their fair share of taxes. This entrenches inequality.

Second, infrastructure. The benefits of infrastructure are uneven. A fast rail line from London to Birmingham will provide a windfall for property owners in those locations. It won't benefit other locations nearly as much. At present every taxpayer, everywhere, pays. Land value tax corrects this. It recoups costs from those who benefit the most.

Third, economic efficiency. Land value tax is payable whether or not the owner actually uses the plot productively. It penalizes owners of empty houses; owners of run-down sites. Unlike now, they would be taxed at the same rate as a site in productive use. This would promote inner city regeneration. There is a myth that Land Value Tax would destroy green spaces. In fact, the City of New York made a profit when it created Central Park. It greened over existing built-up areas. The increased property tax from surrounding neighbourhoods paid for this.

In summary, Land Value Tax is pro-enterprise and green. Its introduction would allow other taxes to be reduced; especially those on income and profits. Enterprise would be better rewarded. Building on a property doesn't change its location value. The location value of land comes from geography -a beautiful view; or from investment elsewhere – for example a high speed railway. Location value is maintained by society. It just and efficient to tax it.

Thank you for listening. To find out more visit the ALTER website. Do join our campaign.