

Testimony in favor of Bills 379 and 392
Acts Authorizing Municipalities to Adopt Land Value Taxation

The current property tax system in Connecticut imposes that same tax rate on land and improvements. This policy increases the tax burden on homeowners and is a disincentive to improve one's property and an incentive to keep land underutilized or not utilized at all. Typically, the highest land values are in the business centers of cities. By shifting the tax from improvements to land the vast majority of homeowners will benefit from lower property taxes. Businesses and developers also benefit as the taxes on improvements and investments in buildings are taxed less. This policy has worked effectively in numerous cities in Pennsylvania and in other localities around the world. The Center for the Study of Economics (www.urbantools.org) has done studies demonstrating the beneficial effects of this tax shift.

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