



## State of Connecticut

### HOUSE OF REPRESENTATIVES STATE CAPITOL

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**Testimony**  
**In support of H.B. 6572**  
**AN ACT EXTENDING THE LAND VALUE TAXATION PILOT PROGRAM**  
**March 6, 2015**

Chairman Miller, Chairman Osten, Ranking Members Aman and Linares, and distinguished members of the Planning & Development Committee, I come here to strongly testify in support of HB 6572, *An Act Extending The Land Value Taxation Pilot Program*.

Property taxpayers and homeowners shoulder an undue tax burden in communities like Hartford, Bridgeport, New Haven, and the city I represent, New London. It's imperative that the General Assembly offer solutions to remedy high property tax burdens in our urban municipalities. Land Value Taxation can be a part of that solution.

Rather than taxing buildings or structures that enhance the economic vitality of our communities, local governments should have the ability to tax land, which serves the commons and has a cost to maintain (and homeowners and small businesses ought not to incur the cost of maintaining those properties).

The tax environment within our urban municipalities should reward development opportunities without government subsidies. In communities where there is a scarce supply of undeveloped land, land value taxation can be a tool to induce productive land use as dictated by the market. Rather than taxing productivity such as labor, capital, or investment, the government *should* generate revenue from benefits to society that is created by nature. Unlike money, there is a fixed supply of land in our communities, so it cannot be avoided or hidden, which is what often happens with homeowners who fear higher property taxes if they improve their properties.

Early supporters of land value taxation include, Founders Thomas Paine and Thomas Jefferson, as well as the godfather of free market economics, Milton Friedman, strongly endorsed Land Value Taxation, famously proclaiming that it's the "least bad tax." On the left, economist Joseph Stiglitz advocates for imposing a land value tax to combat income inequality. Very few taxes can bring together such a wide spectrum of thinkers.

Within Connecticut, there have been extensive studies showing the potential for it within the Hartford Central Business District, as well as the City of New London. Most recently, the City of Bridgeport began the process of adopting land value taxation to replace the *status quo* property tax.

Land Value Taxation may not be the ultimate panacea to comprehensive property tax reform, but in my eye, the only way Connecticut can overhaul the environment to incentivize investment in our communities, and promote growth and prosperity in our cities.

I urge this committee to support extending the LVT pilot program. Thank you.