

A Good Tax: Legal and Policy Issues for the Property Tax in the United States

By Joan Youngman

THE PROPERTY TAX, A MAINSTAY OF LOCAL GOVERNMENT, is the subject of continual controversy, with numerous ballot measures to place caps on it—or in some cases proposals to eliminate it completely. But, in fact, it is a fair, democratic, stable, and efficient source of local revenue, argues attorney and property tax expert Joan Youngman in *A Good Tax: Legal and Policy Issues for the Property Tax in the United States*, published this month by the Lincoln Institute of Land Policy.

The property tax generates some \$472 billion per year in local revenue in the United States, making it a critical source of funding for schools, police and fire protection, and other public services. It is also a highly transparent tax, holding local governments accountable to citizens, who can see clearly how their tax dollars are spent.

However, a series of populist revolts, beginning with California's Proposition 13 in 1978, have weakened the property tax and led to unintended consequences.

"Ironically, many property tax limitations enacted in the name of fairness have actually distorted the tax base and introduced inequities,"

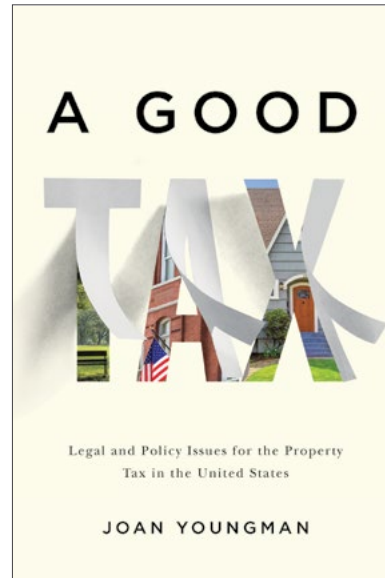
"At a time when many governments are facing fiscal difficulties and the need to address delayed or deferred financial obligations of all types, an effective property tax can be a valuable instrument for the common good."

Youngman says. "I hope this book will serve as a road map for a new path forward, helping policy makers strengthen the property tax as a fair, stable, and efficient source of local revenue and autonomy."

Through a comprehensive and detailed analysis of the legislative and administrative issues facing policy makers, Youngman outlines ways in which state and local governments can provide taxpayer relief, when necessary, while preserving crucial provisions of the property tax, such as the accurate assessment of every property based on the fair market value.

"At a time when many governments are facing fiscal difficulties and the need to address delayed or deferred financial obligations of all types, an effective property tax can be a valuable instrument for the common good," Youngman writes.

Joan Youngman is a senior fellow and chair of the Department of Valuation and Taxation at the Lincoln Institute. She is an attorney and author of *Legal Issues in Property Valuation and Taxation: Cases and Materials* (2006).



April 2016 / 278 Pages / \$30

ISBN: 978-1-55844-342-6

To order, visit www.lincolnst.edu/pubs

CONTENTS

1 The Property Tax as a Good Tax

The Nature of the Property Tax

2 Progressivity, Regressivity, and Fairness

3 Values and Valuation

Special Uses of Tax Proceeds

4 Property Taxes and School Finance

5 Tax Increment Financing

Special Treatment of Specific Properties

6 Classification and Differential Taxation

7 Open Space and Conservation Easements

8 Farmland Assessment and Current Use Valuation

9 The Valuation of Federally Subsidized Low-Income Housing

10 Exemptions and Payments in Lieu of Taxes

Tax Limitations and Market Value Assessment

11 Tax Restrictions and Assessment Limits

12 Tax Limitations and Accurate Assessments: The Massachusetts Experience