

1938

TAXATION

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TAXATION. Initiative Constitutional Amendment. Repeals limitation on ad valorem property taxes for State appropriations. Prohibits increasing present assessed valuation of improvements and tangible personal property; annually reduces tax rate thereon and exempts same from taxation in nine years, except for regulation; existing tax rate limitations becoming inoperative proportionately as necessary to offset such reductions. **20** Exempts from taxation \$1000.00 of assessed improvements on land occupied by owner as home. Limits tax moratoriums to improved property in one parcel and ownership having assessed valuation not exceeding \$5000.00. Repeals specified Sales, Use and Private Car Taxes.

YES

NO

(For full text of measure, see page 44, Part II)

Argument in Favor of Initiative Proposition No. 20

This amendment repeals retail sales taxes. Political jugglery, not your direct vote, gave California sales taxes. Oregon beat sales taxes three times, the last seven to one. By fair means and foul, sales tax advocates tried to prevent your voting on this amendment. They have falsely said sales tax repeal will injure schools. Schools prospered eighty years without sales taxes. This amendment reaffirms schools have first claim on State revenue and provides adequate and more satisfactory revenue to replace unjust sales taxes.

Owner-occupied houses assessed up to \$1,000 are made tax exempt immediately.

All taxes are gradually abolished on improvements (houses, buildings, orchards, fertilization, etc.) and tangible personal property (autos, machinery, stocks in trade, etc.) within nine years. Directly, or indirectly as hidden taxes, CONSUMERS pay these today.

The amendment continues or permits income, inheritance, gasoline, severance, corporation and other taxes and is not therefore "single" tax.

Thousands have lost homes and farms to money lenders because present inequitable tax laws caused booms and depressions, false speculative values, and inflated mortgages with harsh interest demands. Propaganda that this measure will cause the loss of homes and farms is absurd. Just how does repealing sales taxes hurt home and farm owning?

Sales taxes take about \$15 apiece, or \$60 a family annually. When YOU abolish sales taxes, also taxes on houses, autos, and many hidden consumption taxes, you will have more money for a home or other needs. Figure your tax payments, including sales taxes.

Sure this amendment makes more taxes fall on publicly-created land values.

Land is a gift without cost to humanity. "The profit of the earth is for all." (Ecclesiastes 5:9.) However most people are disinherited. They pay tribute to live on earth. Small holders have hard-work farm land, or homes where improvements soon exempted from

taxation are worth far beyond land value. Highest land values are found in downtown retail and industrial districts; in oil, mineral, and other natural resource areas. These VALUES are today monopolized by great corporations, estates and a few rich individuals who will pay more taxes. Small land holders and non land holders will pay less.

The fact that land value taxes, as all economists agree, can not be shifted in higher prices or rents to consumers and renters EXPLAINS WHY vast sums are spent by land value monopolists to fool voters. This is your best guarantee that this amendment will benefit the common people.

Population makes land values and ALSO need for government. Hence none escape CG. TRIBUTING to the money finally collected by land value taxation.

Applications of land value taxation in Australia, Denmark, Canada and in other democratic nations prove its benefits.

Stop penalizing industrious land improvers to profit land hoarding speculators who restrict work, home and farm owning. Stimulate construction, Government slum-clearing and housing projects by untaxing materials and improvements, and by lowering land prices. Revive industry and employment! Attract industry to California! Expand farmer's markets! End pick-pocket sales taxes!

Vote "YES" on No. 20!

JACKSON H. RALSTON.

HARRY FERRELL.

NOAH D. ALPER.

Argument Against Initiative Proposition No. 20

This "Single Tax" initiative measure would require nearly all revenues for the support of the State, the counties and the cities to be raised by taxes on land alone.

Other forms of property eventually would be relieved from all taxation. Office buildings.

ories, hotels, as well as residential buildings, would not be taxed. About 90 per cent of the property of public utility corporations would be exempted from taxation.

One half of the tax sources for the support of local governments would be wiped out. In some districts 80 per cent or more of the property now taxed would be exempt. Owners of personal property, however valuable or profitable, would be relieved from all property taxes.

Not only this, but the measure also repeals the State taxes which are used chiefly to support the schools, to pay old age pensions, and to provide relief. \$100,000,000 of State revenues now used chiefly for such purposes would be cut off.

The "Single Tax" on land is proposed to take the place of these existing taxes.

That such a proposal is fantastic is demonstrated by the fact that in recent years hundreds of thousands of parcels of land have been sold to the State because the owners could not pay their taxes. This measure would at the very least treble taxes on land. In some localities the tax levy on land would be increased 400 to 500 per cent.

There will be wholesale delinquencies and tax strikes. Larger and larger levies will be necessary, ruinous to those who continue to pay.

With the inevitable collapse of State and local tax-raising machinery it will be impossible to raise funds for the public schools, for police and fire protection, for aids to the needy aged, for unemployment relief.

California's retail sales tax now helps support the State's schools and provide funds for

social welfare needs. In many states that depend entirely upon a property tax, schools have closed and needy people have gone hungry.

As land values are destroyed economic disaster will move in a widening circle to affect everyone in California, no matter where he lives or what he does. No one will be able to escape.

Today privately owned land is the primary security back of loans made by savings banks and insurance companies. If land values are destroyed savings accounts and life insurance policies are jeopardized.

It is the small business man, the farmer, the owners of old buildings, and those without capital to put into new and expensive improvements who will be the first to be squeezed out and lose their holdings.

Nearly every permanent and responsible civic, welfare, public official, school, business, farm, and citizen organization in California, many of which ordinarily take no position on tax questions, have joined in warning the voters that this ill-considered proposal does jeopardize the entire tax-raising machinery of government, and the public welfare.

MRS. JAMES K. LITTLE,
President, California Congress
of Parents and Teachers.

FRANK Y. McLAUGHLIN,
585 Bush Street.

VINCENT D. KENNEDY,
Managing Director, California
Retailers Association.