

## Founder's Plan Benefits

- Relief for **all** the elderly
- No sales tax increases
- No income tax increases
- No dumping on renters
- Local taxes locally controlled
- Naturally progressive
- Real estate price stability
- No breaks for slumlords
- More affordable housing
- No loss of people or business
- Promotes sensible, market-driven land use
- Based on founding principles
- Endorsed by great leaders

## The Founders' Plan

### Gradually Replace Property Tax with Land Value Tax

Twenty Pennsylvania taxing jurisdictions have partly shifted their property taxes off improvements (buildings) and onto land values. Most home owners in each jurisdiction pay less, particularly in poorer neighborhoods, and each jurisdiction saw increased construction while the rest of Pennsylvania has continued to decline.

### Grants to the Elderly

Each person aged 65 or over would get a per capita grant from local tax revenues. If tax rates have to be raised slightly, younger residents will still pay less than if sales or income taxes replace residential property taxes. (Proposed by Tom Paine.)

## Support the Founder's Plan for property tax reform

Tell your state legislators that you want lower taxes on home owners, real relief for the elderly and economic vitality for your community, without higher sales and income taxes.

We provide literature and expert speakers to local governments, advocacy groups and civic organizations.

### To learn more go to:

<http://savingcommunities.org/founders-plan>

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# The Founders' Plan for Property Tax Reform

*The only solution that promotes  
stability and fairness  
for residents and businesses  
in your community.*



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# Why The Founders' Plan is Better

## Better Relief

### Relief for all the elderly

The Founders' Plan gives relief to **all** elderly residents. It does not give those with property more relief than those who rent, or give those with more property more relief than those with less.

### No sales tax increases

Shifts to sales tax would actually cost many elderly people more than they are paying now. Elderly renters would not save a dime in property taxes or rents to offset sales tax increases.

### No income tax increases

Shifting to income tax only saves money for those home owners who retire before or shortly after the time the shift occurs. Young people in many municipalities will pay about twice as much in income tax as they could ever save in property tax.

### No dumping on renters

The Founders' Plan benefits home owners and renters alike. Other proposals decrease burdens on property owners by dumping those burdens on renters. Besides being horribly regressive, such policies induce renters to settle in other states, as they own nothing that they can't take with them.

### Local Taxes, Locally Controlled

The Founders' Plan needs no state funding and is the only plan that local jurisdictions could try without making irreversible commitments. Communities are much more careful with their own tax money than with state money, and state funding leads to state control.

### Naturally progressive

Land value tax shifts the burden to commercial property, wealthier neighborhoods and absentee owners, saving money for home owners in poor and middle-income neighborhoods. It coincides naturally with ability to pay, but sales and income taxes do not.

## Better Economics

### Real estate price stability

States that had cut property taxes saw rampant speculation and boom-bust cycles with wild swings in home prices. The Founders' Plan protects those who deserve protection without turning homes into tax shelters for speculators.

### No breaks for slumlords

Property tax is about the only tax slumlords and speculators pay. Other proposals cut their taxes at the expense of residents. Only the Founders' Plan relieves residents at the expense of slumlords.

### More affordable housing

Wherever property tax has been curtailed, housing prices shot up so much that housing became **less** affordable. Switching to land value tax puts under-used land on the market, increasing the housing supply and thereby lowering housing costs.

### No loss of people or businesses

High sales taxes drive businesses across state lines, especially from border communities like Philadelphia, Chester, Easton, Erie, Sharon and New Castle. High income tax drives wealthier residents away. The Founders' Plan actually attracts people and businesses.

### Sensible, market-driven land use

Land value tax promotes redevelopment of urban and inner suburban areas, reduces sprawl, and keeps prices within the reach of ordinary home buyers. Replacing property tax with sales and income taxes leads speculators to gobble up homes as tax shelters, making them too expensive for ordinary citizens to buy.

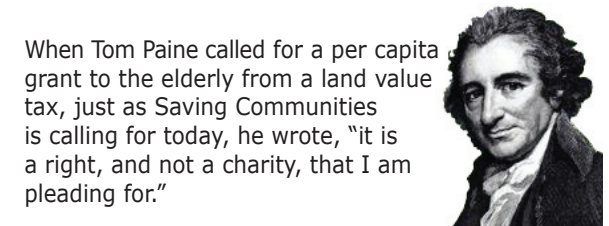
## Better Principles

### Based on founding principles

William Penn, Ben Franklin, Thomas Jefferson, Tom Paine and many others called for shifts to land value tax to prevent rich aristocrats from grabbing up all the land as they had done in Europe. They recognized that land value tax would enable ordinary people to get land.



The **Articles of Confederation**, enacted by the signers the **Declaration of Independence**, called for even the federal government to be funded from land value tax.



When Tom Paine called for a per capita grant to the elderly from a land value tax, just as Saving Communities is calling for today, he wrote, "it is a right, and not a charity, that I am pleading for."

### Endorsed by great leaders

From Abraham Lincoln to Martin Luther King, from William F. Buckley to Ralph Nader, important leaders from across the political spectrum have endorsed shifting from property tax to land value tax. So have modern economists like Paul Samuelson, Milton Friedman, Arthur Laffer and Herb Simon. Shifting to land value tax is without question the most endorsed property tax reform in history.

**For many more endorsements**, see our website:

<http://savingcommunities.org/LVT/endorsed>