

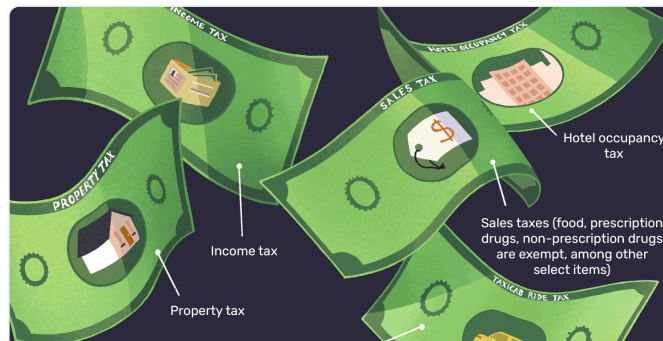


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Convo over a Seattle/WA state income tax (vs a local or broader ground rent), it struck me that NYC residents pay multiple income taxes — city, county, state — in the midst of broad inequality and some of the most valuable land in the world. 1/



What Kinds of Taxes Are Imposed on New York City?

What you need to know about the taxes residents and visitors pay in New York City, including income tax, property tax, sales tax rates, and more.

<https://www.thebalance.com/new-york-city-taxes-3193281>

A deadweight income tax will be gamed or massaged to exclude passive income or larded up with exemptions that ensure never quite achieves the desired outcome. It will raise revenue but the inequality it was meant to address will endure. Look to the postwar history of the US. 2/

Tax high earners and they will leave: wealth confers that kind of flexibility and as they leave, so goes the tax base. The pandemic as well as high local rents is forcing businesses with high earners to allow WFH or to add headcount elsewhere. 3/

The same high earners will pay higher property taxes, as they see their property wealth increase (not that a land rent would raise residential rates: they should decline). But they won't see income tax as an investment in society, not matter what OW Holmes said about it. 4/

I think a split rate tax (lower taxes on buildings, increase it on un/underdeveloped land) is the way forward. We have established that location (ie, land) has value in these increasingly dense cities and that land is being held as a speculative asset vs a productive one. 5/

If you are a homeowner, consider how much lower your mortgage payment would be or how much more house you could buy for the same \$ if you didn't have to finance

the land under it. Just your property taxes as a rent... The key to affordable housing is affordable land. 6/

An income tax on top of rising property taxes (taxed on property you can't use except as an asset/wealth store) won't be popular, as it will be those who can afford a house in Seattle who will be asked to pay it. So it will be carved and massaged to shield their wealth... 7/

...so that it falls on renters, once more demonstrating that Seattle doesn't much like newcomers but welcomes their money.

Expect a multi-year fight over an income tax, as land values continue to enrich the people fighting it and regional needs go unfunded. 8/F

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