

Contents

<i>About the Contributors</i>	xi
<i>Foreword by David L. Sjoquist</i>	xvii
<i>Introduction</i>	xxv
1 Property Tax: A Situation Analysis and Overview	1
<i>Harry Kitchen</i>	
Introduction	1
Role for property taxes	2
Importance of the property tax	3
Choice of tax base	3
Issues in assessment	6
Issues with property tax rates	15
Incidence of the property tax	26
Politics of the property tax	33
Future for the property tax	35
Summary	35
References	37
2 Value-Based Approaches to Property Taxation	41
<i>Riël Franzsen and William J. McCluskey</i>	
Introduction	41
Overview of property tax bases	42
Value-based approaches	45
Concept of market value	54
Traditional valuation methods	59
Conclusions	63
References	64
3 The Politics of the Property Tax	69
<i>Enid Slack</i>	
Introduction	69
Unique characteristics of the property tax	70
Principles for designing the property tax	73

Characteristics of the property tax	73
Property tax revolts, tax limitations and tax relief	79
The politics of property tax reform	81
The property tax as a local tax	83
Conclusion	86
References	87
4 Administration of Local Taxes: An International Review of Practices and Issues for Enhancing Fiscal Autonomy	89
<i>John L. Mikesell</i>	
Introduction	89
Central administration	91
Independent local administration	98
The special case of property taxes	106
Conclusion	119
References	121
5 Establishing a Tax Rate	125
<i>Kurt Zorn</i>	
Introduction	125
What level of government should set the property tax rate?	126
Types of tax rates	131
Determining the tax rate	133
Who sets the rate?	134
Rate setting in practice	135
Conclusions	138
References	138
6 Property Tax Collection and Enforcement	141
<i>Roy Kelly</i>	
Introduction	141
Policy and administrative determinants of property tax revenues	142
Definition of model variables	143
Common reasons for low rates of collection and enforcement	149
Designing an effective property tax collection system	153
Enforcing against noncompliance	161
Summary thoughts	168
References	170

7	The Tax Everyone Loves to Hate: Principles of Property Tax Reform	173
	<i>Jay K. Rosengard</i>	
	Introduction	173
	Primary rationale for reform	174
	Fundamental principles of reform	176
	Strategic choices in reform	178
	Policy pitfalls of reform	183
	Conclusion	184
	References	185
8	Legal Issues in Property Tax Administration	187
	<i>Frances Plimmer</i>	
	Introduction	187
	Tax policy	188
	Property taxation	192
	Uniformity/equity/fairness/treatment of taxpayers	198
	Conclusions	204
	References	205
9	Tax Criteria: The Design and Policy Advantages of a Property Tax	207
	<i>Gary C. Cornia</i>	
	Introduction	207
	Independent and autonomous revenues	209
	Adequate and stable revenue	211
	Hedging the revenue bets	212
	How broad is the tax base?	212
	Financial support for infrastructure	214
	Capturing the increased value resulting from public infrastructure	214
	Immobile base	215
	Benefit tax	216
	Ability to pay taxes	217
	Ease of compliance	218
	Ease and cost of administration	219
	Transparent taxes	219
	Political acceptability	221

Subnational tax systems and horizontal inequity	221
Advantages of the property tax	222
Disadvantages of the property tax	225
Conclusion	226
References	226
10 Estimating Property Tax Revenue Potential	229
<i>Lawrence C. Walters</i>	
Introduction	229
Fiscal capacity and fiscal effort	231
Fiscal capacity	231
Estimating aggregate property value	232
Property tax capacity and effort in the OECD	235
Adjusting for undeveloped land	238
Estimating local revenue potential	244
Conclusion	246
References	246
11 Taxing Public Leasehold Land in Transition Countries	249
<i>Yu-Hung Hong</i>	
Introduction	249
Public leasehold systems	250
Land ownership and taxation	251
Land rent, property tax and tax incidence	256
Valuing public leasehold for tax purposes	260
Conclusions	261
References	263
12 Property Tax and Informal Property: The Challenge of Third World Cities	265
<i>Martim Smolka and Claudia M. De Cesare</i>	
Introduction	265
The phenomenon of informal land occupations	266
Property tax performance in cities with extensive informality	271
The property tax as a tool for reducing informality	278
Conclusion	283
References	284

13	Non-market Value and Hybrid Approaches to Property Taxation	287
	<i>William J. McCluskey and Riël Franzsen</i>	
	Introduction	287
	Non-market valuation approaches	287
	Other non-value approaches	293
	Hybrid alternatives that use a form of value as the basis for the property tax	293
	Flat-rate taxes	301
	Conclusions	303
	References	303
14	Computer Assisted Mass Appraisal and the Property Tax	307
	<i>William J. McCluskey, Peadar Davis, Michael McCord, David McIlhatton and Martin Haran</i>	
	Introduction	307
	Concepts of CAMA and quality control issues	309
	Mass appraisal techniques	315
	Case study: MRA modelling	326
	Conclusions	333
	References	334
15	Geographic Information Systems and the Importance of Location: Integrating Property and Place for Better Informed Decision Making	339
	<i>David McIlhatton, Michael McCord, Peadar Davis and Martin Haran</i>	
	Introduction	339
	Conclusions	355
	References	356
	<i>Index</i>	359