

[Download This Paper \(Delivery.cfm/SSRN_ID2029515_code343214.pdf?abstractid=2029515&mirid=1\)](#)[Open PDF in Browser \(Delivery.cfm/SSRN_ID2029515_code343214.pdf?abstractid=2029515&mirid=1&type=2\)](#)[Add Paper to My Library](#)Share:

Land Value Taxation and Other Measures for Raising Public Investment Revenue: A Comparative Study

66 Pages

Posted: 28 Mar 2012

Constantin Gurdgiev (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=343214)

Monfort College of Business, University of Northern Colorado; Trinity Business School, Trinity College, Dublin

Date Written: March 27, 2012

Abstract

One of the most progressive and innovative approaches to public investment financing is known as value capture. Value-capture envisions creation of the policy tools to adequately capture the privately accruing changes in the value of sites and/or consumption that arise from public infrastructure investments. In our earlier study (Gurdgiev, 2009) we have shown that Land Value Tax (LVT) represents an optimal tax instrument when compared to property tax and the existent structure of property taxation based on the stamps, VAT and development charges from the Exchequer perspective, when revenue stability, predictability and counter-cyclicalilty are of value. In the present paper, we briefly introduce and discuss all internationally available policies used for raising revenue to finance public investment, and draw on some international experience to highlight their main shortcomings and benefits. We provide a comprehensive discussion of the concept of value creation arising from public investment. In contrast to the existent literature, we consider a dynamic model of value creation consistent with the economic framework of multiplier effects of public and private spending and investment. In addition, unlike most of the literature on taxation finance, we distinguish two unique stages of demand for funding: Early stage capital allocation linked to the full capital cost of the project; and Later stage O&M financing support. Following this, we rank the existent policies with respect to their efficiency in addressing the dynamic nature of public investment.

In our view, Land Value (site value) Tax represents the optimal policy instrument for raising revenue for public investment when compared to all other alternatives. In a qualitative rankings, the final distance between the optimal policy (LVT/SVT) and the runner-up policies (Property Tax and Joint Development/Air Rights) is significantly greater than the distance between the least favored two alternatives (Development Impact Fees and Special Assessments). This shows that the economy would gain much greater efficiency from moving from a Property Tax or a PPP-style system of financing (consistent with Air Rights and Joint Development) to a Land Value Tax system of revenue collection, than it would from any other reform within the confines of the above choices of policy instruments.

Keywords: property tax, land value tax, site value tax, public investment, public infrastructure**JEL Classification:** E62, H21, H24, H71, P43, R53[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN_ID2029515_code343214.pdf?abstractid=2029515&mirid=1\)](#)[Open PDF in Browser \(Delivery.cfm/SSRN_ID2029515_code343214.pdf?abstractid=2029515&mirid=1&type=2\)](#)

0 References

[Fetch References](#)

0 Citations

[Fetch Citations](#)

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](#) (<https://www.elsevier.com/legal/cookiepolicy>)

Do you have negative results from your research you'd like to share?

[Cookie Settings](#)

Res

[Accept all cookies](#)

DOWNLOADS	265
ABSTRACT VIEWS	2,867
RANK	212,445

36 References

PlumX Metrics



(https://plu.mx/ssrn/a/?ssrn_id=2029515)

Related journals

Public Economics: Taxation, Subsidies, & Revenue eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=873152)

Follow



Tax Law: International & Comparative Tax eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=217011)

Follow



View more >

Recommended Papers

Exogenous Liquidity Supply in Presence of Repudiation Risk and Private Asset Recovery (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1105039&rec=1&srcabs=2029515&pos=1)

By Constantin Gurdgiev (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=343214)

Project Contingent Repudiation Risk in the Model of North-South Lending (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=683314&rec=1&srcabs=2029515&pos=2)

By Constantin Gurdgiev (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=343214)

Macroeconomic Case for a Land Value Tax Reform in Ireland (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2029519&rec=1&srcabs=2029515&pos=3)

By Constantin Gurdgiev (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=343214)

Feedback

Submit a Paper > (<https://hq.ssrn.com/submissions/CreateNewAbstract.cfm>)

SSRN Quick Links



SSRN Rankings



About SSRN



(<https://www.facebook.com/SSRNcommunity/>)

([https://www.linkedin.com/company/493409?](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

[trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

(<https://twitter.com/SSRN>)

All content on this site: Copyright © 2023 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).



(<http://www.relx.com/>)

(<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)