Mr. STAATS. Undoubtedly, but there have also been significant tax rate increases at State and local levels, if you go back over the last 5 years.

Representative CURTIS. I would quarrel with that. You may be right, but the figures I have do not indicate that, not the rate.

Mr. STAATS. Well, perhaps we have a difference in our understanding of the facts, but I think the important thing here also, aside from whether this is a correct statement of the facts or not, is the growth in the grant-in-aid programs, which the Federal Government has made.

It has grown from $15 billion to more than $17 billion, from 1967 to 1968.

NEED TO TAKE TAXES INTO CONSIDERATION

The point here I think, that both you and I are making is that if the Federal Government does not take into account the taxes on its own operations, that the revenue is going to have to come from either grant-in-aid programs or it is going to have to come from local taxes. That is what we are both saying, I think.

IMPACTED SCHOOL AREA BILL

Representative CURTIS. There we are in complete accord. Of course the impacted school area bill was based on this very assumption that the Federal Government comes into a community, acquires the facility, withdraws that land from the local tax base, and so we had in lieu of taxes paid by the Federal Government for schools, sewers and community facilities, a very important item.

Now, getting back to how I brought it in here, if you can find out whether or not this Government-owned property, say $11 billion, is or is not in the local tax base. Now, probably some areas may be, but of the $11 billion, I would be curious to get some idea of how much of that actually does bear its share of local taxes.

Mr. STAATS. I believe we will have to submit something for the record on this.

Representative CURTIS. Yes, I think you probably would. You can see, too, that this is an added advantage to a local contractor in using Government equipment, if my premise is right, that they don't pay a full load of local taxes on that equipment, it would be much preferable to have Government equipment, and so there is a further incentive built in here.

Another reason, another argument I would use for getting this A–76 memorandum corrected so that it does include this very sizable item of local taxes, because whether you and I are right on the rate, the amount of money paid has increased because the amount of equipment used today is so much more valuable.

Mr. STAATS. We would be glad to supply a statement for the record.

Representative CURTIS. Thank you very much.

(The statement subsequently supplied follows:)

Attached is a tabulation, by State, of the federally owned real and personal property covered in our report of November 24, 1967 (appendix III to report. See p. 462.) It does not include military property or materials. The remarks column reflects our opinion whether the property is or is not subject to State taxation. It has not been possible in the limited time available to be sure our research has covered any very recent legislative developments and judicial decisions.