

Now, had these functions been financed *entirely* on a countywide basis, roughly \$1.7 billion of property taxes collected on a subcounty basis in 1962 would have been collected county-wide. This is roughly *half* the total property tax revenue of the subcounty units (excluding school districts) in that year.

BETTER ADMINISTRATION

The position in this report is that improved assessment of most types of complex business property is a utopian goal, but that it is possible to do a much better job with respect to housing, vacant lots and the simpler, more common types of business property, like small store buildings. The basis for this argument is that there are fairly frequent sales of such property to provide a basis for assessment. The requirements for realization of such improvements as are achievable are professionalization and adoption of truly systematic procedures—indeed, full computerization of the primary assessment process.⁴⁴ These in turn imply large-scale assessment organizations.

Except in the very largest States, this may very well imply statewide assessment; it surely is not consistent with assessment districts having populations of very much less than 500,000. The general rule seems to be, if full use is to be made of the possibilities for computerization, the bigger, the better. This, then, is no less radical a proposal than the others advanced in this report, since this country has been firmly wedded over many decades to the notion that small local assessment districts are an essential component of local self-government.

HARDSHIP ADJUSTMENTS

One way in which the burdensomeness of the property tax, including its regressivity, has been attacked has been through the device of special exemptions and abatements for various kinds of “hardship” cases. The homestead exemptions which became popular in the 1930’s were one manifestation of this. More recently, there have been adoptions of devices to relieve property tax burdens for older people. Almost without exception, exemptions and abatements have proven to be clumsy and inefficient methods of relieving hardship. If a partial tax exemption is offered to a whole class of property owners—such as the aged—it is likely to relieve the real hardship cases only if it is very generous, and hence very costly in foregone tax revenue. Meanwhile, many property owners who are not hardship cases, benefit. If the generosity of the provision is tempered by revenue-loss considerations, it may be of trivial value for those really hard hit, and administratively complex as well. Moreover, tax relief for homeowners, whether aged or not, tends to ignore the frequently worse-off cases among renters.

One way out of this is to offer carefully tailored credits for very burdensome property tax payments under State income tax laws. Such credits can be restricted to those whose income status makes it clear that the burdens are real ones. An example of this is the provision in Wisconsin, adopted in 1963, for income tax credits for the aged, both homeowners and tenants, who have *both* low incomes *and* pay

⁴⁴ This has been done on an experimental basis with extraordinarily good results in California.