

The Post and Courier

Founded in 1803

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LETTERS TO THE EDITOR

Property tax inequities threaten basic American freedoms

James Hite's column "Tax reform" (Commentary page, April 10) misses the whole point. Government should be viewed as a necessary evil: necessary in its role of preventing anarchy by maintaining law and order; evil by its sheer size and oppressive ability to tax its citizens into submission.

More than 2,000 years ago, Cicero wrote that the first duty of government is to ensure that "private citizens suffer no invasion of their property rights by act of the state," [as quoted by Tom Bethell, "Bookshelf," *The Wall Street Journal*, Dec. 2, 1994.] Whereas Cicero recognized that property is an essential aspect of freedom, we have allowed our government to abridge this freedom via takings and taxation. These violate, in part, the very essence of being an American with the freedom to be safe and secure in one's home without threat of gov-

ernment confiscation.

Most unfair in this scheme of government funding is the property tax. As administered in this state, it has no relationship to one's ability to pay. The value of a home is not necessarily indicative of a homeowner's other assets. For those on a limited income and unfortunate enough to live in greatly appreciating markets, assessed taxes present the specter of the government running little old ladies out of their homes. This is actually happening.

Taxing the value of property creates an inequitable situation where those with highly valued homes are paying 10 to 20 times more for the same government services as those with less valued dwellings. What's even worse is that property owners are being taxed on the potential, non-income producing value of their homes. This is irresponsible.

The property tax effectively gives the government control over

what should be one of our most sacred rights: the right to own our homes and other forms of property.

Those who take pride in maintaining and upgrading their homes are penalized for their efforts by higher taxes on the resultant increase in value. The homeowner who finds himself with decreased income through either death of a spouse, retirement or economic downturn is still faced with the prospect of increasing property taxes forcing him to sell. At a time when many older citizens should be enjoying their homes, they are forced to move by this government "mortgage" which is all interest and no principal.

It is time to rectify this unjust state of affairs and start by abolishing all property taxes on owner-occupied residences. Lost revenue can be replaced by the following means:

1) Reduce/cap government spending;

2) Increase the state sales tax (but tie it to the permanent and complete elimination of property tax);

3) Increase the state income tax (unlike property tax, one only pays if the income is there);

4) Institute a capital gains tax on home sales (this is only paid when the profit from the home value is actually realized);

5) Use revenues from increased economic growth;

6) Charge users uniform fees for government services. These income-producing devices are based on a capitalistic, free-market approach to funding government as opposed to the present socialistic scheme that tries to force some citizens into paying proportionately more for the same services.

Immediate relief is needed for those who are actually losing their homes. In the short run this can be accomplished by:

1) Rolling back and freezing assessments at their previous val-

ues. This would make government officials accountable by placing the burden of raising revenue entirely on the millage rate, not assessments.

2) Capping the property tax at a maximum that could be paid by any homeowner, no matter what the value of the home. This amount should be more reflective of the actual services received and would help guarantee that no one could be taxed out of his home.

3) Completely exempting retirees from property taxation.

4) Using surpluses from economic growth to give property tax rebates.

In the long run there are many benefits from property tax relief, including protecting the elderly and families with children from being uprooted; placing more money for investment in the more efficient private sector; encouraging better maintenance and upgrading of one's residence (and

employment of the craftsmen to do the work) and decreasing government bureaucracy — no more assessor's office.

It is important to remember that this property tax issue should be more basic than a question of money. It really is a question of freedom in America. It is the freedom to own our homes without government having a foothold through our front doors. It is the freedom from an unfair and unequally applied tax that has no relation to services received, no relation to income but, instead, penalizes success and can drive people from their homes.

The challenge is to restore the freedom of home ownership, to rise above the politics of envy, and to eliminate completely and forever this invasion of our privacy, our home, and our freedom.

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