

What is wrong with a property tax?

As we continue to explore the reasons behind our efforts to eliminate property taxes, the concerns with a property tax as a means of taxation must be examined.

For those who are just getting involved, this article is the second in a series explaining the basis behind our property tax elimination bill. The other articles in this series can be found on our website at www.repfrankryan.com.

The right to personal property sets the United States apart from other nations. Outside the United States, the rights to property have long been subject to the realm of kings and queens – a feudal society of sorts.

There is a tremendous anger surfacing due to the relentless loss of property and our government's explosive spending binge. Ravenous government spending mortgages ourselves, our children, and our property to an unrelenting assault by a government which is out of control.

The major negatives with property taxes relates to these very issues:

- Property taxes are fixed expense with no regard to the person's ability to pay.
- One's property serves as collateral for potential unlimited government spending.
- Taxes on property value reduce the incentive to maintain property
- The regressive nature of the property tax makes home ownership that much more elusive for much of the population.

[Taxes on property](#) have been debated incessantly for decades. What started out as an “innocent” means of raising taxes has blossomed into a perceived unlimited source of funds by which government can make promises of future benefits to a select few to the detriment of the remainder of us. Property owners have the choice of either paying the taxes dictated for them by politicians or risk losing their property through foreclosure and tax sale.

Contrary to popular belief, the property tax system started in the [United States dates](#) at the time of the founding of our nation. At that time however, it is important to remember the historical context in that only the [gifted few owned property](#). Only property owners at the time of the founding of our nation were permitted to vote.

The evolution of our republic has allowed the opportunity for owning property and of voting rights to expand to most of the population. As such, the antiquated notion of the property tax may negatively impact the very people who are now just beginning to enjoy the American dream evolving in the great experiment of the United States.

The negative impact of a property tax system is that your property serves as collateral for government promises. Ever increasing property taxes have allowed municipal governments and schools to make promises that they could not possibly keep if they did not have such a reservoir of potential funds at their disposal.

These “promises” have precipitated a record number of [bankruptcy filings](#) of municipalities since 2010. The settlement of these bankruptcies will most certainly raise the level of debate of property taxes to unparalleled heights. The outcome of this battle will most decidedly determine whether or not American citizens have the right to own property.

With the rapid rise in property taxes needed by most jurisdictions to cover their promises and with lower pay and higher unemployment of taxpayers throughout the nation, the property tax is now forcing millions of Americans to reassess where they live, how they live, and if they can ever retire let alone own their home.

The U. S. Constitution addresses and protects property rights in so many ways: Source: [“The Constitution and Property Rights”](#)

“The Founders were worried that Congress might use the tax system to loot property owners in some states for the advantage of other states. Accordingly, they required that direct taxes (most importantly property and income taxes) be apportioned among the states (Article I, Section 2, Clause 3 and Article I, Section 9, Clause 4).

They granted the federal courts jurisdiction over interstate land claims and interstate debts to limit the extent to which state courts could discriminate against the property rights of out-of-staters (III-2-1 and III-2-2).

They added the Full Faith and Credit Clause (IV-1) partly to require state courts to honor property records in other states.

The Founders gave Congress an unlimited power to dispose of public land (IV-3-2), but only limited power to acquire or hold land (I-8-17 and certain incidental powers). This was because they wanted most publicly-owned land to be transferred to the private sector.

They also inserted a number of other checks and balances, designed partly to protect minorities from unfair property confiscations.”

Today, threats to property, particularly your home, are at epic levels and the battle will shape the landscape of our nation forever.

The American dream of home ownership and the liberty inherent in property are at risk.

Ending property taxes will begin to restore the American dream to those most negatively affected by such an antiquated system as a property tax.

Frank Ryan, CPA, USMCR (Ret) represents the 101st District in the PA House of Representatives. He is a retired Marine Reserve Colonel, a CPA and specializes in corporate restructuring. He has served on numerous boards of publicly traded and non-profit organizations. He can be reached at fryan1951@aol.com.