

Incentive Tax League of Pennsylvania

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Fellow Land Tax Supporter:

We have embarked on an exciting campaign in Clairton that could be a major breakthrough for land value taxation in Pennsylvania. For the first time, we have both solid support and powerful opposition—two key ingredients for a successful community organizing effort.

Last year, the Clairton City Council initially voted to abolish all taxes on improvements and more than quadruple tax rates on land. This decision was largely due to earlier Incentive Tax League efforts, but we were not expecting a total shift, and we were not prepared for a major confrontation with Clairton's largest landowner, US Steel.

US Steel owns over 45% of the taxable land value in Clairton, and would pay over \$300,000 more under a land tax. The local economy is largely dependent on US Steel. Over the years, US Steel has won several concessions based on their importance to the region, largely at Clairton's expense. Because they threatened to leave, they were allowed to continue belching pollutants into the air. They won property tax exemptions for industrial machinery, while claiming that failure to get these exemptions would force them to leave the state. They even got concessions from steelworkers who hoped this would help guarantee jobs.

You might say that the people of Clairton and neighboring communities are accustomed to being manipulated by US Steel. But lately things have been different. Now, despite concessions made at the expense of the communities, the workers and the local governments, US Steel has been shutting down and laying off workers. Desperation and a sense of betrayal by US Steel were probably principle reasons why Clairton Council proposed a total shift in one year. But Clairton is still capable of being intimidated by US Steel.

US Steel asked for a meeting with Clairton Council. Meanwhile, false rumors began to circulate that land tax would greatly increase taxes for Clairton businesses, and a climate of fear began to infect the local business community.

No less than six US Steel attorneys attended the meeting. They bombarded council with false claims about the tax. They threatened to lay off even more workers, and to withhold their taxes. Before the night was over, Clairton Council members had decided not to pass the land tax for 1984.

Despite winning this major concession, US Steel laid off more workers in 1984.

Councilman Pastore, who is now the Mayor of Clairton, still hopes to pass the land tax. Although he now plans to implement it in stages, he believes he has the support to win.

Still, we are up against US Steel. It is not only the largest landowner in Clairton, but the largest landowner in Allegheny County and the fourth largest landowner in Appalachia. Land tax means more to them than a \$300,000 a year tax increase in Clairton. If other Mon Valley communities follow Clairton's lead (and if US Steel continues to pursue its present course of "shut it down and hold it"), land tax could cost them millions of dollars a year. We expect serious opposition.

To meet this opposition, we conducted a thorough computerized study, showing how the land tax would save money for homeowners and for many of Clairton's most active businesses. The results of this study will bolster Clairton Council's support for the land tax and help us win the support of the media.

We intend to win. We intend to pass as large a shift to land tax as possible in as many Mon Valley municipalities as possible, beginning with Clairton, Duquesne and McKeesport.

We have the facts, we have the technical expertise, and we have an excellent campaign strategy.

Clairton residents and other land tax supporters will be conducting a door-to-door campaign. It is modeled after Morgan Harris's proposed TRI (Tax Reduction on Improvements) campaign. We will visit each property owner in Clairton who saves with the shift to land tax and show precisely how much his savings will be. However, our main focus will be the survival of Clairton's economy and of the unemployed steelworkers, since this is uppermost in the minds of most residents. The result should be more active support for land tax in one municipality than we have anywhere else in the country.

This is not just a major step forward for the land tax. It is a major step forward for us as well. For the first time, we will be campaigning to the people and not just to the politicians. We will be building a campaign organization large enough to specialize and to grow on its own successes—successes that we hope to duplicate in other cities across the country.

Land tax has been your cause as well as ours. And if we are victorious, it will be your victory too—all the more so if you can help us with this effort.

We are asking those land tax supporters who live in Western Pennsylvania to come forward and work with us on this issue. And we are asking each of you to make whatever financial contribution you can afford.

I am aware of and grateful for the support many of you have been giving all along to the land tax cause, but because this is a special opportunity, we are making a special appeal. It is vital that everyone does what he or she can to make this campaign a success.

Steve Cord has volunteered his office and secretary to manage campaign funds for this project. Checks should be written to

The Incentive Tax League of Pennsylvania
c/o Dr. Steven Cord
580 North Sixth Street
Indiana, PA 15701

Whether you can make a contribution or not, we would love to hear from you. We need moral support as well as financial support. I intend to keep you posted on the progress of the campaign, and look forward to inviting you to celebrate a major victory.

Sincerely,

A handwritten signature in cursive script that reads "Dan Sullivan".

Dan Sullivan