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PROPERTY TAX RATES IN U. S.

PROPERTY TAX RATES

We hear a great deal about the excessive burden of the property tax payer in North Carolina, and all sorts of proposals are being offered to lighten his tax load. We hope the property tax payers will get much consolation out of this study which shows conclusively that the property owner in North Carolina is assessed at a lower average rate than in any other state in the United States. The table carried in this issue of the News Letter shows the total average tax rate on each one hundred dollars of assessed value in each state in the Union. The table concerns all property on the tax books and all taxes levied against such property for all purposes, state, county, city, town, and all other subdivisions.

In 1922 the assessed value of all property listed for taxation in North Carolina amounted to \$2,521,115,000. The total property tax collected for all purposes by the state and all the subdivisions of the state—the one hundred counties, the 470-odd cities and towns, and the innumerable local districts of various sorts—amounted to \$37,017,000. The total tax levy per one hundred dollars of assessed value averaged \$1.47 and the average rate was the lowest in the United States.

In Florida each one hundred dollars' worth of property on the tax books paid an average tax for all purposes of \$7.64. Florida had the highest rate in the United States, due largely to her great number of drainage districts and other development enterprises.

Why High or Low

In order properly to analyze the table some explanations should be made. It will be noticed that the rich and poor, urban and rural states are all mixed together. An analysis for each state is impossible but a few typical illustrations can be presented.

Property is assessed in the various states in much the same way it is in the various counties of North Carolina. A good many states such as Wisconsin, New Hampshire, Maine, Indiana, Michigan, and many others, insist on having property listed at one hundred percent of its cash value. In other states, notably in the South and occasionally in other areas, property is listed at a certain percent of its cash value. The percent varies according to conscience of the property owner and the efficiency of the tax listers. In Iowa the rate is high because property is listed at only a small percent of its real value. In South Carolina they attempt to get 42 percent of the cash value of property on the tax books. The authorities state that not more than 25 percent of the property in that state is actually on the tax books. In consequence the rate in South Carolina is excessive, although the tax burden is actually very small. The same is true of Mississippi, Georgia, Arkansas, and many other states.

In North Carolina

As a whole, property in North Carolina is listed at a fair percent of its real value. The most reliable authorities estimate that for the entire state about 55 to 60 percent of our taxable property is actually listed for taxation. No uniform percentage of real value is sought by the one hundred counties of the state. In some counties the people do not need to read novels. The most interesting fiction is embodied in their tax books. On the other hand there are a few counties that endeavor to get all property listed at a uniformly high percentage of its real value. In Durham county 75 percent of the real value is sought. In some counties adjoining Durham an attempt is made to get 50 percent of taxable values on the books.

The low property tax rate in North Carolina is not due to the fact that a large percent of our property is on the tax books. Irrespective of what part of the property is on the tax books the actual tax burden borne by property is lighter in North Carolina than in any other state.

Per Inhabitant

The entire property tax collected in North Carolina in 1922 amounted to

\$13.98 per inhabitant. The real test of the tax burden borne by property is to compare the tax burden per inhabitant with the taxable wealth per inhabitant. There are only five states in the United States in which the entire tax paid on property is less per inhabitant than in North Carolina. These states and their rates are Alabama \$9.53, Arkansas \$9.76, Georgia \$12.01, South Carolina \$12.10, and Virginia \$18.84. Our taxable wealth per inhabitant is far above the average in any of these states, yet their tax burden per inhabitant is almost as large as ours. So that in proportion to our real wealth per inhabitant our property tax burden is less than in any of the five states in which the property tax is less per inhabitant than in North Carolina. In proportion to our real or taxable wealth or on any comparable basis whatsoever, property in North Carolina is assessed at a lower average rate than in any other state in the Union.

It is true that the rate in some counties is higher than in others. In some towns and cities the rate is much higher than in others. These are merely inequalities within the state. The point we wish to make is that the tax burden falls lighter on the average property owner in North Carolina than in any other state.

Local Purposes Only

Property never has been heavily taxed in this state. Even when we had a state tax on property it amounted to very little. Our state is largely rural and our taxes have gone largely for county purposes. Most of our people now pay only a county property tax which averages less than one percent. City taxes are usually heavier than county taxes, and are in addition to county taxes. In all the states except North Carolina, California, Florida and Pennsylvania, the state levies a property tax. The absence of a state property tax materially lessens our property tax rate.

The tax rate on property is lowest in our state, then, because property is taxed for local purposes only, and the bulk of our tax payers pay only a single property tax—the county tax. About one-third of the property tax payers pay an additional city tax, but no property is touched for the support of the state. This condition is made possible because North Carolina is one of the great manufacturing states. The owners of industrial and other corporations largely support our state government. They are abundantly able and seemingly willing to do so.

We all hate taxes, but no other property tax payer has as much room for contentment as the average property tax payer in the State of North Carolina. He gets more for the taxes he pays than does any other property tax payer in the United States. Government is cheap in North Carolina and no people in the world receive more for their money than do the tax payers of our state.

Summary

The proof is conclusive to anyone who takes the time to analyze the facts recently reported by the United States Department of Commerce concerning the financial statistics of states. In these last four issues of the News Letter we have attempted to present the more important data. The following are the outstanding facts, which should be known by every citizen of the state.

1. It cost \$9.58 per inhabitant to run our state government in 1922. The total cost included \$8,500,000 spent on highways and schools which money came from bond sales and was not a proper charge against the cost of operating the state for that year. Even with our expenditures from bond sales included, state government cost more per inhabitant in thirty-two states than in North Carolina. Revenue receipts exclusive of bond sales, totaled \$13,164,249 or \$4.97 per inhabitant. This represents the actual cost per inhabitant to run the entire state government in 1922. This includes automobile, license, and gas taxes, and earnings of the state departments.

2. The entire tax burden in North Carolina in 1922 amounted to \$18.01 per

DESIRABLE CITIZENS

Two minutes is all too short a time in which to mention even the major reasons which might be argued by way of convincing a desirable citizen that he should choose North Carolina as the best possible state for his home. Nature's richest gifts, in the way of climate, soil, resources, and beauty, might each present to the home-seeker a most convincing argument in favor of North Carolina, as might also be presented the argument of man's achievement in the way of better agriculture, manufactures, public improvements, education, and welfare.

In my opinion, the most cogent of all the many reasons why a desirable citizen should choose North Carolina for his home is the fact that North Carolina's citizens are themselves desirable. I believe the amazing development and progress of North Carolina today is due in a larger measure to the quality of her citizenship than to any other cause. A heartening thing is the fact that native leadership has wrought mightily for North Carolina wealth, and from the native stock still comes and shall continue to come those who deem service a privilege, and who count public welfare of greater value than private wealth. —Miss Elizabeth Kelly.

inhabitant. This is the amount it cost per inhabitant to run our state government, the governments of our one hundred counties, our 470-odd towns and cities, and our innumerable local districts of all sorts. The tax burden per inhabitant for all purposes, state, county, and local was less in only four states, Georgia, South Carolina, Arkansas, and Alabama. In ratio to our wealth the tax burden for all purposes within our state is less than in any other state in the Union.

3. The net bonded and other debt of our state and all subdivisions of the state in 1922 amounted to \$69.03 per inhabitant. The total net debt per inhabitant was larger in twenty-six states than in North Carolina. Our recent debt is largely for road construction and the entire cost of carrying this debt is being met by the automobile owners. Our highway system is self-supporting. The rest of the State debt is carried by taxes on incomes, corporations, inheritances and the like. Only the local debt is carried by property owners.

4. Property is taxed for local purposes only. The total tax levy on property for all purposes whatsoever averages \$1.47 per \$100 of assessed value and the rate is the lowest in the United States. The average property owner in North Carolina pays less taxes in proportion to his wealth than in any other state. The rate averages the lowest in the United States. The entire property tax burden per inhabitant is less in only five states, in all of which the average wealth is much less than in our state.

5. The North Carolina tax payer gets more for his money than does the tax payer in any other state, and especially is this true of the man who pays only a property tax. Government is cheap in North Carolina. In no other state in the Union are the people getting as much in return for what they spend in taxes as in our state. —S. H. Hobbs, Jr.

BUILDING HIGHWAYS

Chairman Frank Page of the Carolina Highway Commission writes this brief summary of road construction in Carolina for the last issue of the Manufacturers Record:

"The North Carolina Highway Commission completed in the year 1923, 1,044 miles of road at a cost of \$21,840,100. Of this, 544 miles was of paved types, and 500 miles a progressive type of road using gravel, top-soil or sand-clay as a temporary surfacing material. In addition to the paved roads, bridges not included in the roads

were completed amounting to \$525,627.

"Projects under construction, but not completed in 1923, consist of 1,622 miles of roads, 761 miles of pavement and 861 miles of progressive types. The contract prices of the uncompleted roads amount to \$28,917,870.

"It is contemplated that during the year 1924 we will let additional contracts for approximately 600 miles of pavement, and 300 miles of progressive type roads, estimated to cost around \$18,000,000.

"The State Highway Commission has under maintenance about 5,766 miles of state highways upon which was expended in the year 1923 approximately \$3,000,000.

Type	Miles	Cost
Topsoil	221.53	\$1,909,691.12
Graded	123.06	1,084,357.84
Gravel	92.52	852,297.67
Bit. Mac.	38.66	942,511.79
Waterbound		
Macadam	40.75	695,289.30
Sheet Asphalt	21.37	284,762.80
Asphaltic Concrete	186.94	6,838,531.63
Portland Cement	223.04	7,453,383.40
Reinforced Concrete	32.71	1,218,886.32
Brick	.57	14,348.77
Corduroy	1.32	33,769.89
Bridges	- - -	525,627.69
Sand Clay	55.60	404,497.13
Reconstruction	6.20	70,841.79
	1044.27	\$22,028,787.14

"January 1, 1924, there were registered in North Carolina 230,000 passenger automobiles and 23,000 trucks, an increase over the previous year of practically 35 percent.

"The automobile license fees and the three-cent gasoline tax brought to the state treasury approximately \$7,000,000 during the year 1923, an amount sufficient to pay interest on the bonded indebtedness for highway construction, to set aside a substantial sinking fund for the repayment of the bonds, and maintain the state highway system.

"Public sentiment is strongly in favor of a continuation of the highway program until all of the 6,200 miles of roads on the state system are of the highest type." —Greensboro News.

GOOD SCHOOLS FOR ALL

In a recent issue of the North Carolina Educator, Carteret county's superintendent of public schools Mr. M. L.

Wright has an article entitled "Advantages and Shortcomings of the County Unit Plan." Mr Wright takes the position that the present system of education, which is the county unit plan, results in affording very unequal opportunities to the youth of the state. He further calls attention to the fact that the constitution says that "A general and uniform system of public schools shall be provided throughout the state."

It is a matter of common knowledge of course that the children in the wealthy counties have far better advantages in the way of schools than those in the sparsely settled and comparatively poor counties. It is true that there is what is called an "equalization" fund but unfortunately this does not by any stretch of the imagination equalize the expenses and facilities of the one hundred counties in North Carolina. In one county for instance there is a school tax rate of 90 cents and in another the rate is 32 cents; the other counties have various rates in between these two extremes. The bad part about it is that even after they pay the high taxes the folks in the small counties do not have as good schools as the wealthy counties have with much lower taxes.

It is not possible for everybody to live in Guilford, Mecklenburg, Forsyth, and Wake counties. Somebody must live in the other counties and help develop them. When undeveloped sections of the state are brought up nearer to the level of the more advanced parts of it the whole commonwealth will be greatly benefited. The people who live in the more prosperous sections ought to be willing to extend a helping hand to the others. The strong should help the weak until all are strong. This principle governs the state's highway building policy. In a few years state highways will be in every part of North Carolina. If it had been left to the counties to build these highways most of them would not have been built for many years to come. Education is more important than good roads and all the children no matter where they live should have a chance to attend a good school. —Beaufort News.

PROPERTY TAX RATES IN THE UNITED STATES

For All Purposes per \$100 Assessed Value in 1922

The following table, based on statistics issued by the U. S. Census Bureau, shows the total average property tax rate per \$100 of assessed value for the states of the United States in 1922. The first column shows the total property tax paid per inhabitant for the same year. The total property tax levy per \$100 of assessed value was highest in Florida and lowest in North Carolina. The total property tax per inhabitant is highest in Nevada, \$65.47, and lowest in Alabama, \$9.53.

The assessed value of all property in North Carolina in 1922 was \$2,521,115,000, and the total levy for all purposes in state, counties, cities, towns, and all other subdivisions amounted to \$37,017,000. The property tax rate averaged 1.47 per \$100 of assessed value, the lowest rate in the United States. Our total property tax averaged \$13.98 per inhabitant and in only five states was the average smaller.

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Rank	State	Property Tax per Inhabitant	Total Tax Levy Per \$100 Assessed Value	Rank	State	Property Tax per Inhabitant	Total Tax Levy Per \$100 Assessed Value
1	Florida	\$31.44	\$7.64	25	Louisiana	\$22.64	2.66
2	Illinois	37.60	6.26	26	Nevada	65.47	2.59
3	Iowa	43.26	5.99	27	New Hampshire	31.21	2.46
4	Washington	47.12	5.96	27	Pennsylvania	26.70	2.46
5	Montana	43.98	5.61	29	Connecticut	33.30	2.44
6	South Carolina	12.10	4.79	30	Wisconsin	36.96	2.39
7	Minnesota	43.77	4.56	31	Alabama	9.53	2.38
8	Mississippi	17.65	4.46	32	North Dakota	47.24	2.37
9	California	48.97	4.25	33	Maryland	27.90	2.31
10	Oregon	49.53	3.97	34	Wyoming	40.63	2.28
11	Idaho	40.91	3.88	35	Indiana	39.26	2.24
12	New Jersey	44.02	3.52	36	Ohio	37.63	2.16
13	Maine	28.33	3.50	37	Delaware	21.20	2.18
14	Texas	22.57	3.23	38	Kentucky	14.87	2.12
15	Oklahoma	25.69	3.20	39	Arizona	42.45	2.09
16	Arkansas	9.76	3.02	40	Tennessee	14.78	2.03
17	Georgia	12.01	2.99	41	Missouri	26.63	1.97
17	Vermont	26.07	2.99	42	Kansas	38.84	1.94
19	New York	42.72	2.96	42	Virginia	13.84	1.94
20	Colorado	45.70	2.88	44	Rhode Island	32.12	1.90
21	Utah	37.97	2.80	45	West Virginia	25.40	1.84
22	Massachusetts	39.33	2.75	46	Nebraska	40.08	1.65
23	Michigan	41.67	2.70	47	South Dakota	49.96	1.64
24	New Mexico	23.89	2.67	48	North Carolina	13.98	1.47