

118<sup>th</sup> CONGRESS  
2<sup>nd</sup> Session

H. R. XXXX

IN THE HOUSE OF REPRESENTATIVES

*[Date]*

Mr./Ms. [Name of the Representative] introduced the following bill; which was referred to the Committee on [Committee Name].

A BILL

To gradually reduce federal income tax by one-third and replace lost revenue with a land value tax on speculatively held lands.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “**Federal Income Tax Reduction and Land Value Tax Act of 2024**”.

**SECTION 2. FINDINGS AND PURPOSE.**

(a) **Findings.** Congress finds the following:

1. The current federal income tax burden on individuals reduces disposable income and economic growth.
2. A significant portion of private land in the United States is held for speculative purposes, contributing to a shortage of affordable housing, agricultural land, and space for commercial and industrial development.

3. Implementing a Land Value Tax (LVT) solely on speculatively held lands will incentivize their productive use, thereby reducing land speculation and encouraging development.

**(b) Purpose.** The purpose of this Act is to:

1. Gradually reduce the federal income tax burden on all Americans by one-third.
2. Replace the lost federal income tax revenue by implementing a Land Value Tax (LVT) on speculatively held lands.
3. Encourage the productive use of land by implementing a LVT on land that is held for speculative purposes, thereby promoting development and reducing the percentage of U.S. land held for speculation.
4. Gradually phase in the LVT and the corresponding federal income tax reduction over a five-year period, ensuring a balanced adjustment period for both taxpayers and landholders.
5. Exempt lands that are being actively used for conservation purposes under the Rewilding Act from the LVT to support environmental and conservation goals.
6. Ensure that the implementation of this Act adheres to the principles of subsidiarity, whereby duties, responsibilities, or tasks are executed by the most localized or private entities capable of fulfilling them.

### **SECTION 3. GRADUAL REDUCTION OF FEDERAL INCOME TAXES.**

**(a) Phased Reduction.**

1. Effective January 1 of the first year following the enactment of this Act, federal income taxes shall be reduced by 20% of the final one-third reduction (i.e., a 6.67% reduction).
2. The reduction will increase by an additional 20% of the final one-third reduction each subsequent year until the full one-third reduction is applied in the fifth year.

### **SECTION 4. IMPLEMENTATION OF LAND VALUE TAX (LVT).**

**(a) Establishment of LVT on Speculative Land.**

1. A Land Value Tax (LVT) shall be imposed on all speculatively held private land, beginning at 20% of the final rate of 19.3% of the assessed value of the land.
2. The LVT rate will increase by 20% of the final rate each subsequent year until the full 19.3% rate is applied in the fifth year.
3. Speculatively held land is defined as land that is not currently being used for productive purposes, such as residential, agricultural, commercial, or industrial development, and is being held with the expectation of future price appreciation rather than immediate use.
4. Lands actively used for conservation purposes under the Rewilding Act shall be exempt from the LVT.

**(b) Adjustment and Assessment.**

1. The Secretary of the Treasury shall oversee the assessment of land values and the classification of land as speculative or exempt under the Rewilding Act.
2. The LVT rate shall be reviewed annually by the Secretary of the Treasury, who may adjust the rate as necessary to ensure that the revenue generated is sufficient to replace the lost income tax revenue.
3. In accordance with the Subsidiarity Clause, the assessment and classification of land shall be executed by private individuals or entities wherever feasible, with local and state governments stepping in only when necessary.

**SECTION 5. PHASE-IN PERIOD FOR LVT FOR SPECULATIVE LANDHOLDERS.**

**(a) Gradual Implementation.**

1. The LVT on speculative land shall be phased in over a five-year period to allow landholders sufficient time to develop or sell their land.
2. The LVT rate shall increase in tandem with the phased reduction in federal income tax as outlined in Section 3(a).

**SECTION 6. IMPACT ON HOMEOWNERSHIP AND LAND USE.**

**(a) Homeownership.** This Act is expected to increase the availability of affordable residential land, leading to higher homeownership rates among Americans who have been priced

out of the housing market.

**(b) Agricultural and Commercial Expansion.** By incentivizing the development of underutilized land, this Act will contribute to the expansion of agricultural and commercial activities, supporting economic growth and increasing the nation's food security and opening up agricultural lands for use in the nations transition to back traditional farming practices.

## **SECTION 7. MONITORING AND EVALUATION.**

**(a) Annual Review.** The Secretary of the Treasury shall conduct an annual review of the impact of the LVT on land development, housing affordability, and federal tax revenues. The findings shall be reported to Congress and made available to the public.

**(b) Adjustment Mechanism.** Based on the findings of the annual review, the Secretary of the Treasury may recommend adjustments to the LVT rate or other measures to Congress to ensure the continued effectiveness of this Act in achieving its stated purposes.

## **SECTION 8. EXEMPTION FOR INDIVIDUALS WITH SIGNIFICANT NET WORTH IN SPECULATIVE LAND.**

**(a) Exemption Criteria.** An exemption from the Land Value Tax (LVT) imposed under this Act shall be available to any individual who meets the following criteria:

1. The individual holds a significant portion of their net worth in speculative land, defined as 50% or more of their total net worth being tied to the value of speculative land.
2. The individual has no substantial liquid assets or alternative sources of income sufficient to cover the LVT without selling the speculative land.

**(b) Application for Exemption.** Eligible individuals may apply for the exemption by submitting a detailed financial disclosure to the Secretary of the Treasury, demonstrating that they meet the criteria outlined in subsection (a).

**(c) Terms of Exemption.**

1. If granted, the exemption shall allow for a reduction or deferral of the LVT liability for a period not exceeding 10 years, during which the individual may gradually liquidate or develop the speculative land to meet their financial needs.

2. The Secretary of the Treasury shall establish guidelines for the reduction or deferral amount, ensuring that the individual's tax burden is manageable relative to their financial situation.

**(d) Review and Adjustment.** The Secretary of the Treasury shall annually review the financial status of exempted individuals to determine if the exemption remains justified. Adjustments to the exemption may be made based on changes in the individual's financial circumstances.

## **SECTION 9. SUBSIDIARITY CLAUSE.**

Any duties, responsibilities, or tasks necessary for the implementation of this Act shall, whenever feasible, be executed by private individuals or entities. Should these duties, responsibilities, or tasks be beyond the capacity of private individuals or entities, they shall be undertaken by the local government. If the local government is unable to fulfill these duties, responsibilities, or tasks, they shall be undertaken by the state government. Only when these duties, responsibilities, or tasks cannot be fulfilled by private individuals, entities, local government, or state government shall they be executed by the federal government.

## **SECTION 10. EFFECTIVE DATE.**

This Act shall take effect on January 1 of the first year following its enactment.

## **SECTION 11. SEVERABILITY.**

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

## **SECTION 12. REPEAL OF INCONSISTENT PROVISIONS.**

All provisions of prior Acts of Congress that are inconsistent with the provisions of this Act are hereby repealed to the extent of such inconsistency.

### **SECTION 13. SUNSET PROVISION.**

This Act shall be reviewed by Congress ten years after its enactment to assess its impact and effectiveness. Congress may reauthorize, amend, or repeal the Act based on this review.