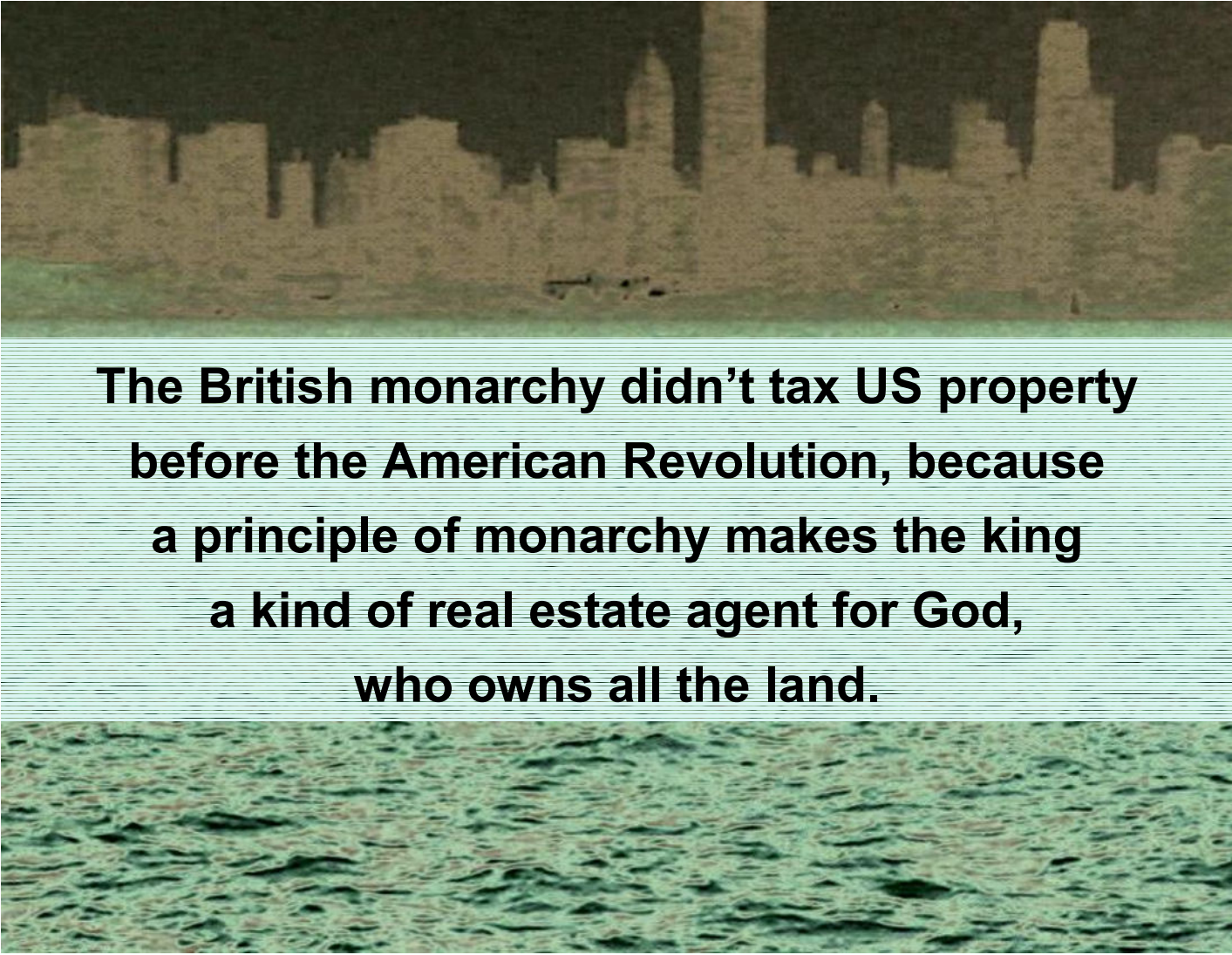


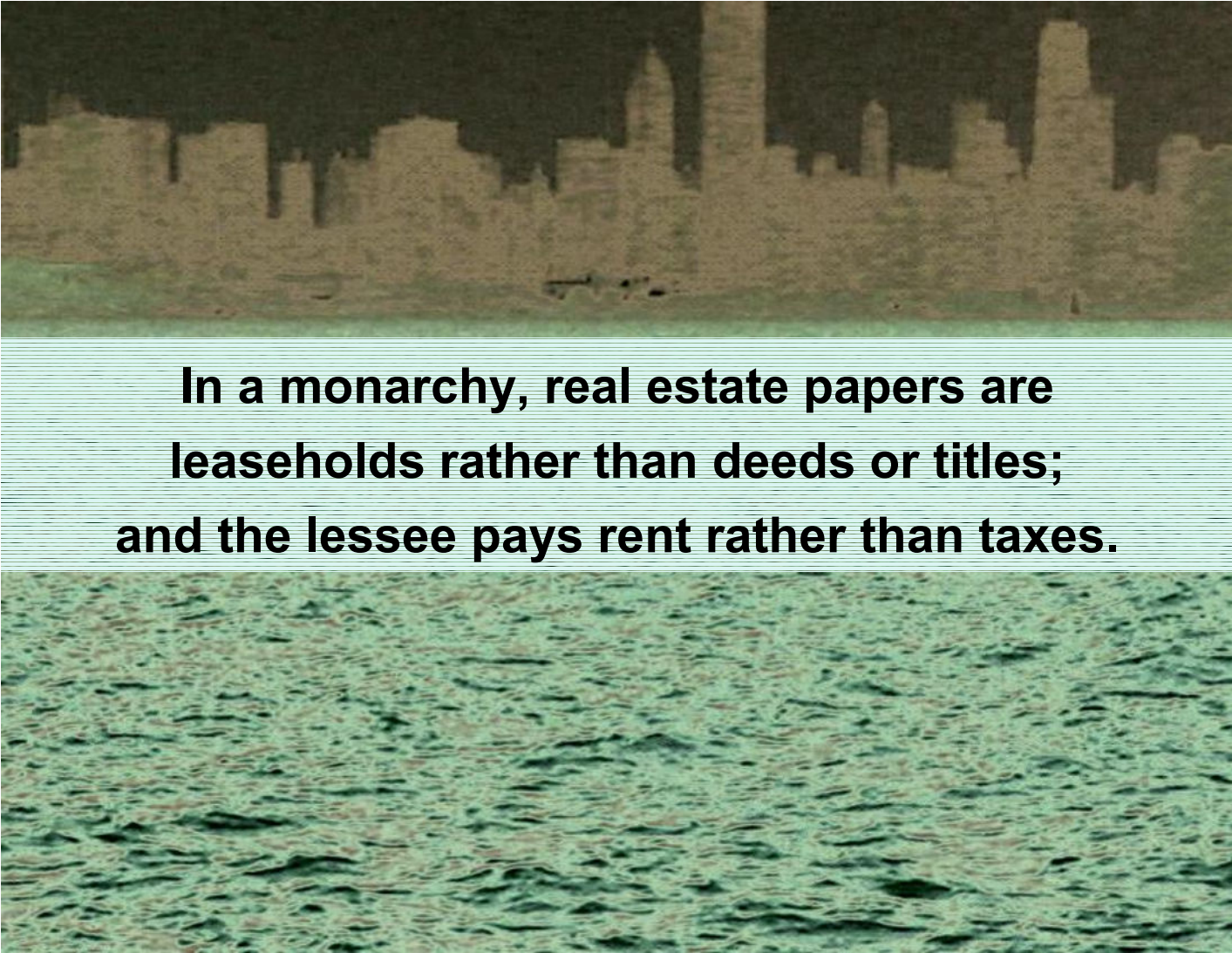
**INFLATION UP**  
**INDUSTRIALS DOWN**  
**PART J**

Background: Chicago skyline from Planetarium promontory.



**The British monarchy didn't tax US property before the American Revolution, because a principle of monarchy makes the king a kind of real estate agent for God, who owns all the land.**

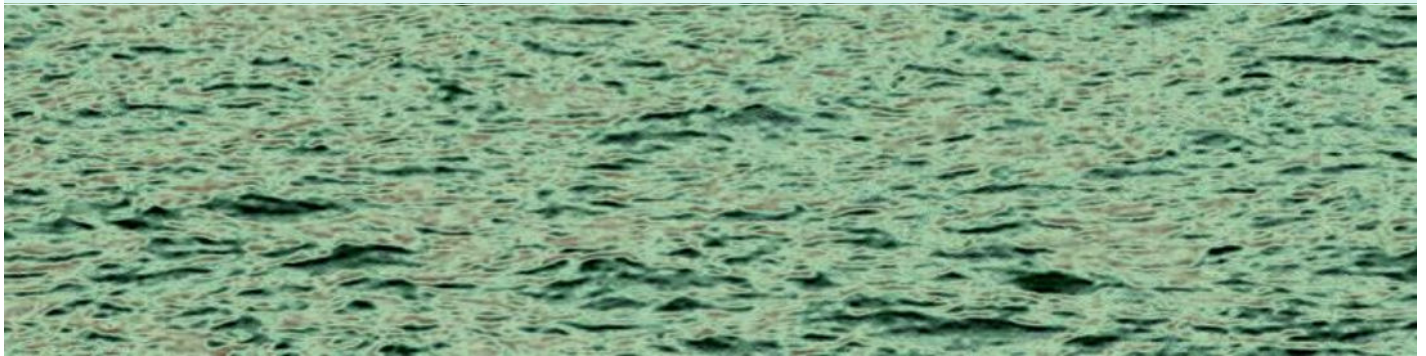


The background of the slide features a photograph of a city skyline across a body of water. The skyline is silhouetted against a dark sky, with various building shapes visible. The water in the foreground is a deep blue-green color with small, dark ripples. The text is centered in the middle of the image.

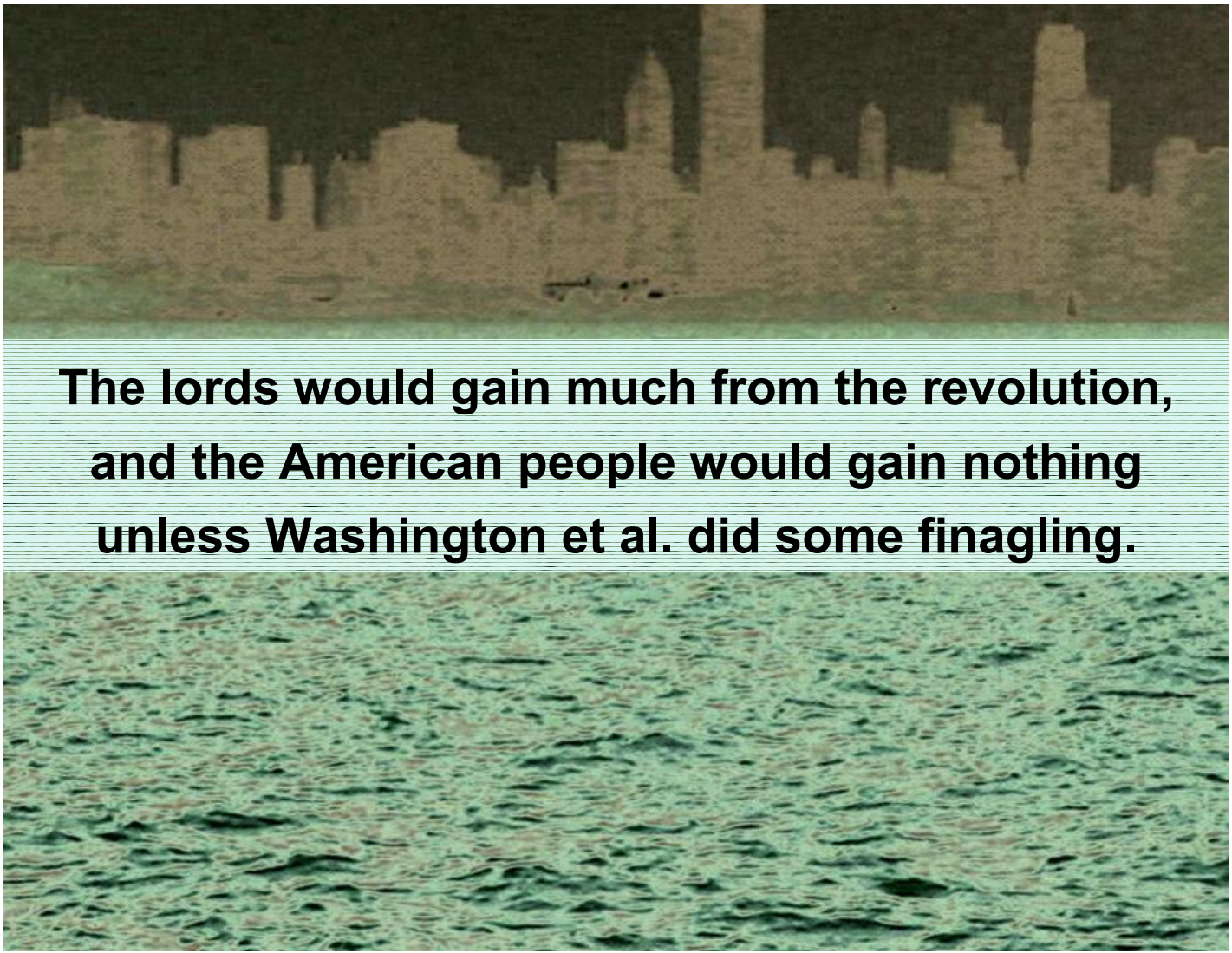
**In a monarchy, real estate papers are leaseholds rather than deeds or titles; and the lessee pays rent rather than taxes.**



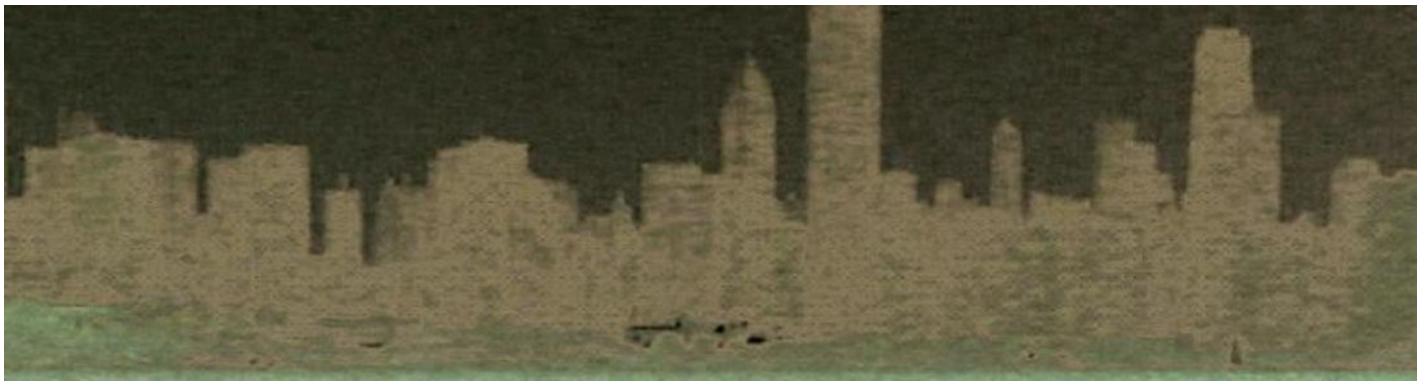
**Americans were lessees of English lords who had royal charters and grants to the land. The American Revolution would gain the lords clear title to the land and keep the leases intact.**



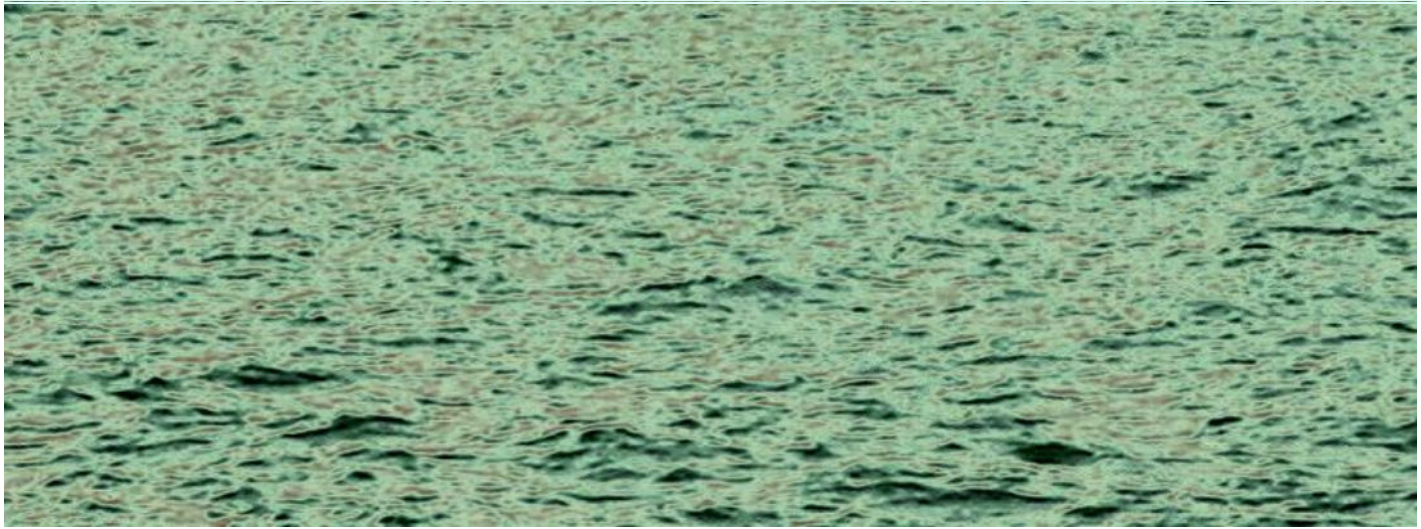




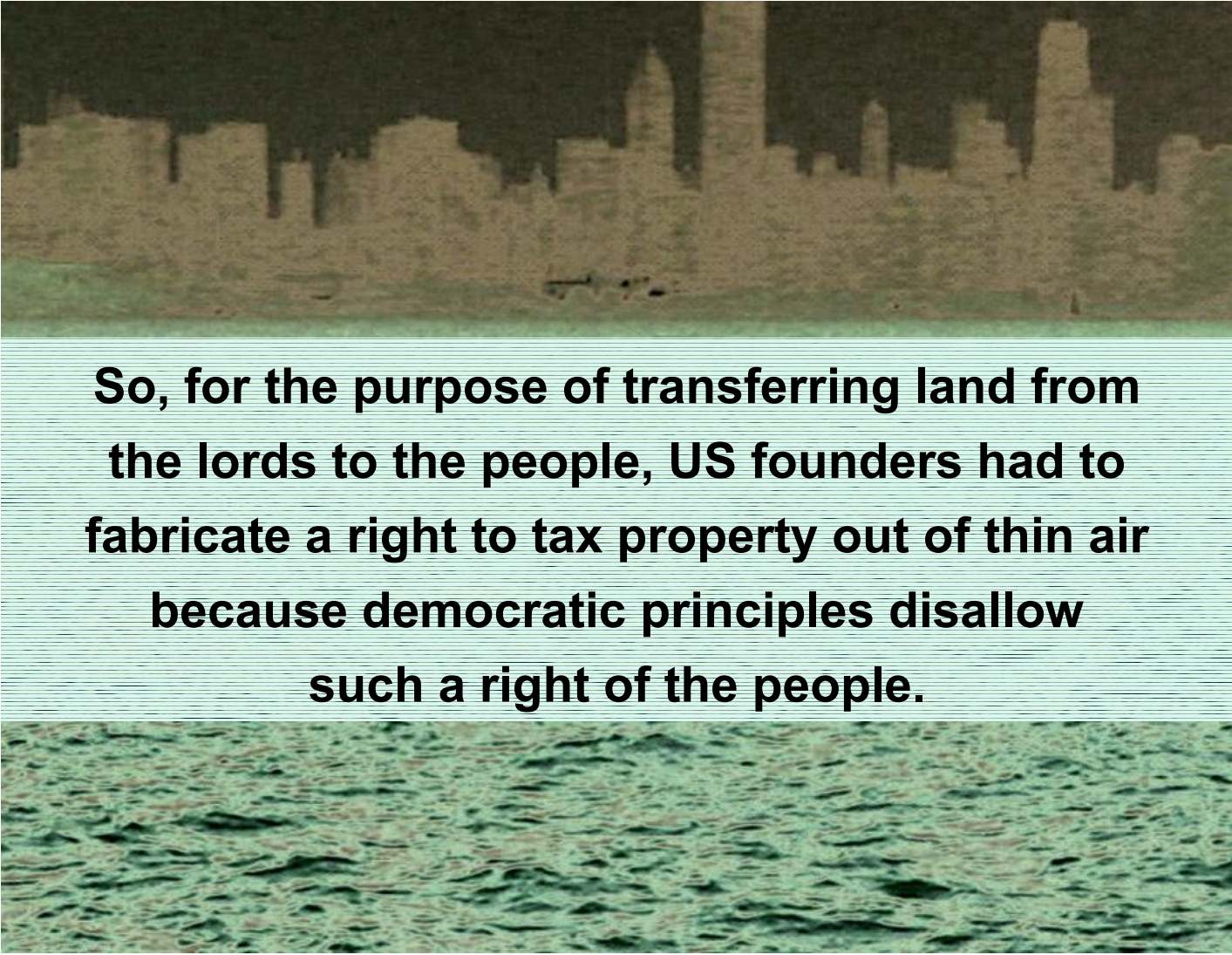
**The lords would gain much from the revolution,  
and the American people would gain nothing  
unless Washington et al. did some finagling.**



**A tax on landed property would bankrupt the lords and encourage them to divide and sell their land.**







**So, for the purpose of transferring land from the lords to the people, US founders had to fabricate a right to tax property out of thin air because democratic principles disallow such a right of the people.**

A photograph showing a city skyline in the background, with buildings of various heights and colors. In the foreground, there is a body of water with small, dark ripples. The text is overlaid on the water.

**Every transfer of land became as common  
as the sale of an icebox after the revolution  
threw God and king out of the loop.**



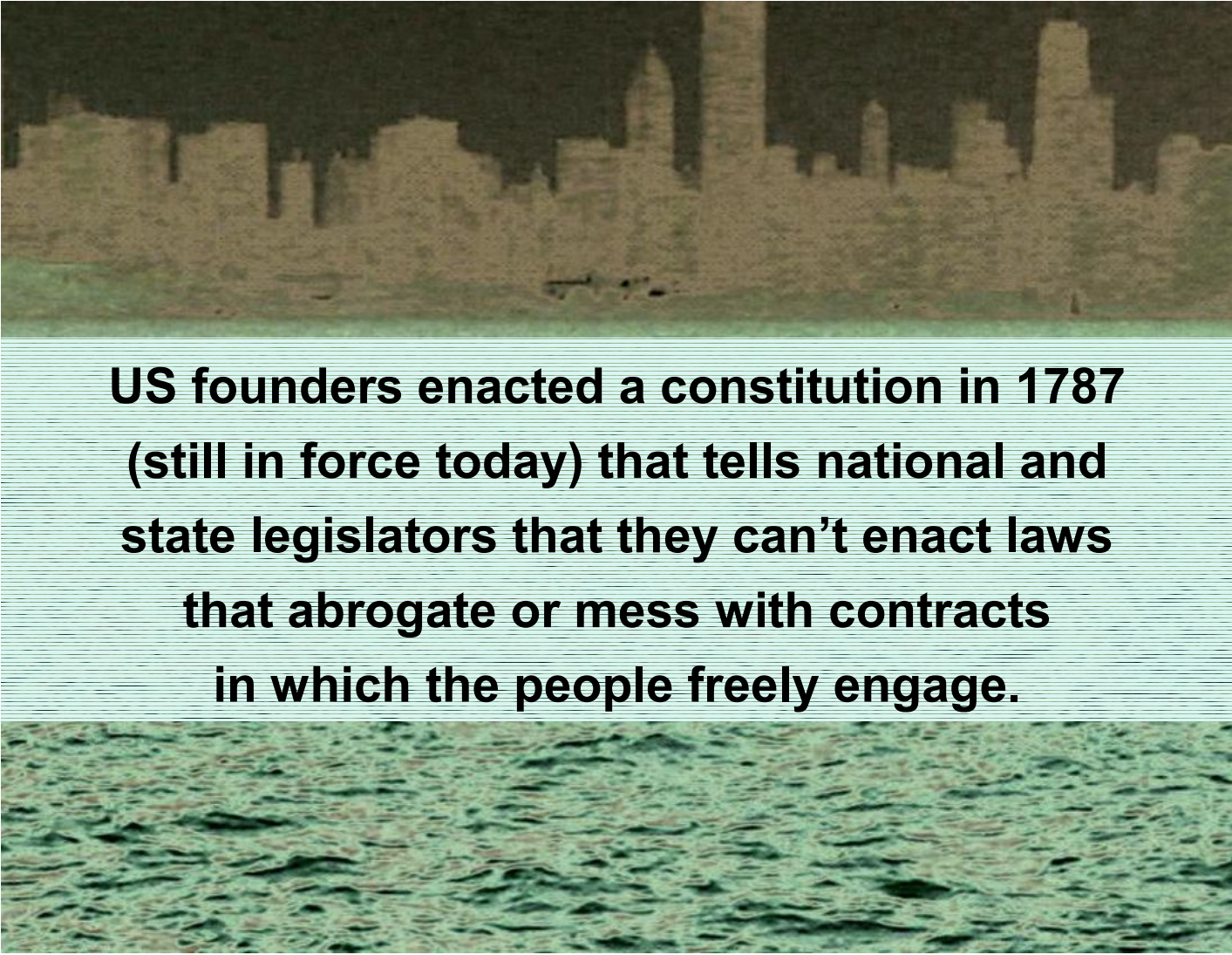
A photograph showing a city skyline across a body of water. The skyline is silhouetted against a dark sky, with several tall buildings visible. The water in the foreground is choppy and reflects the light. The text is overlaid on the middle of the image.

**The sales contracts for land had no strings attached, even when states sold land that wasn't encompassed in royal grants to the lords.**


A photograph showing a city skyline across a body of water. The skyline is silhouetted against a dark sky, with several tall buildings visible. The water in the foreground is choppy and reflects light, creating a textured, shimmering effect. The text is overlaid on the middle of the image.

**The states ceded the vast Northwest Territory to the national Congress, and Congress, too, enacted a sales contract with no strings attached.**



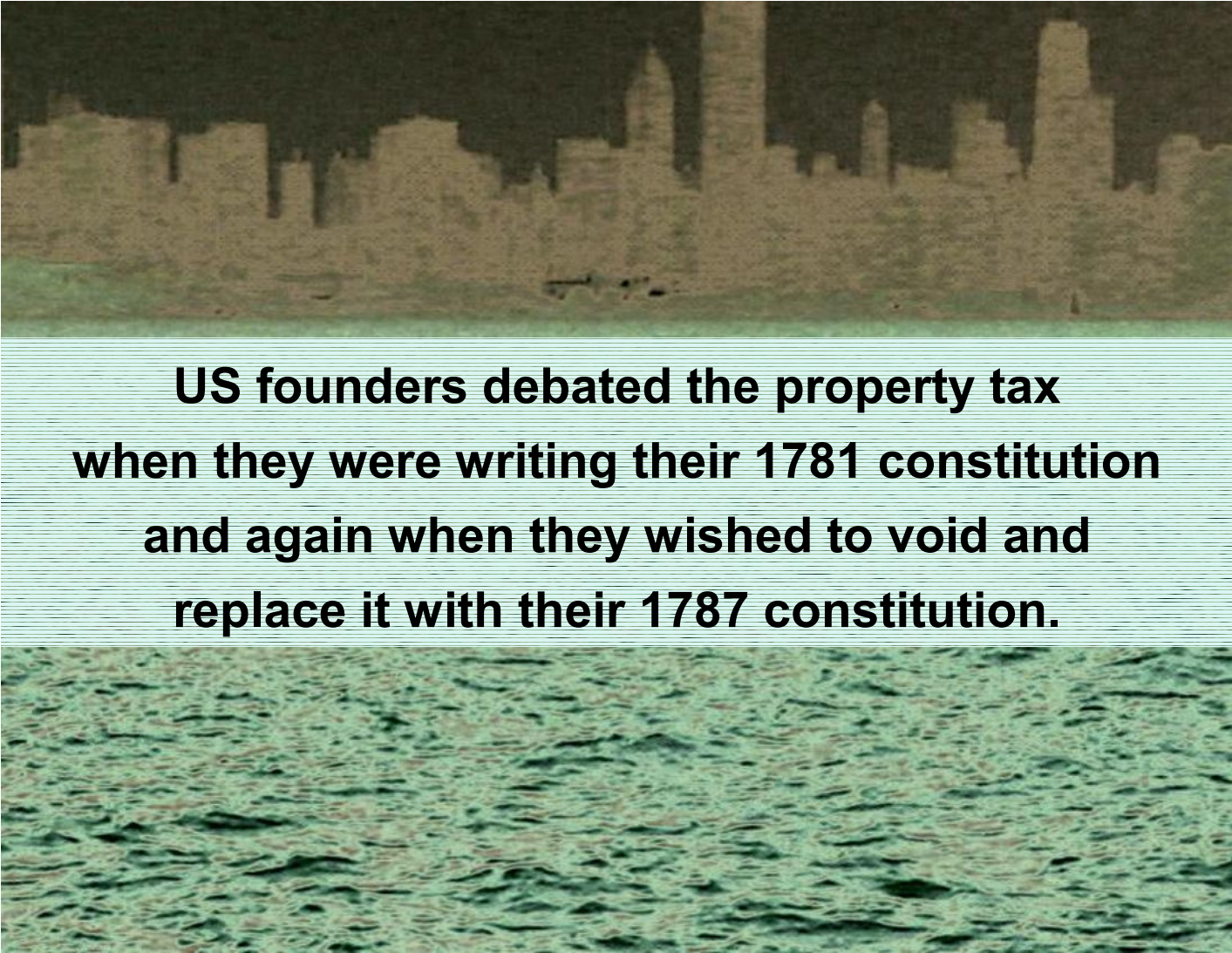


**US founders enacted a constitution in 1787  
(still in force today) that tells national and  
state legislators that they can't enact laws  
that abrogate or mess with contracts  
in which the people freely engage.**

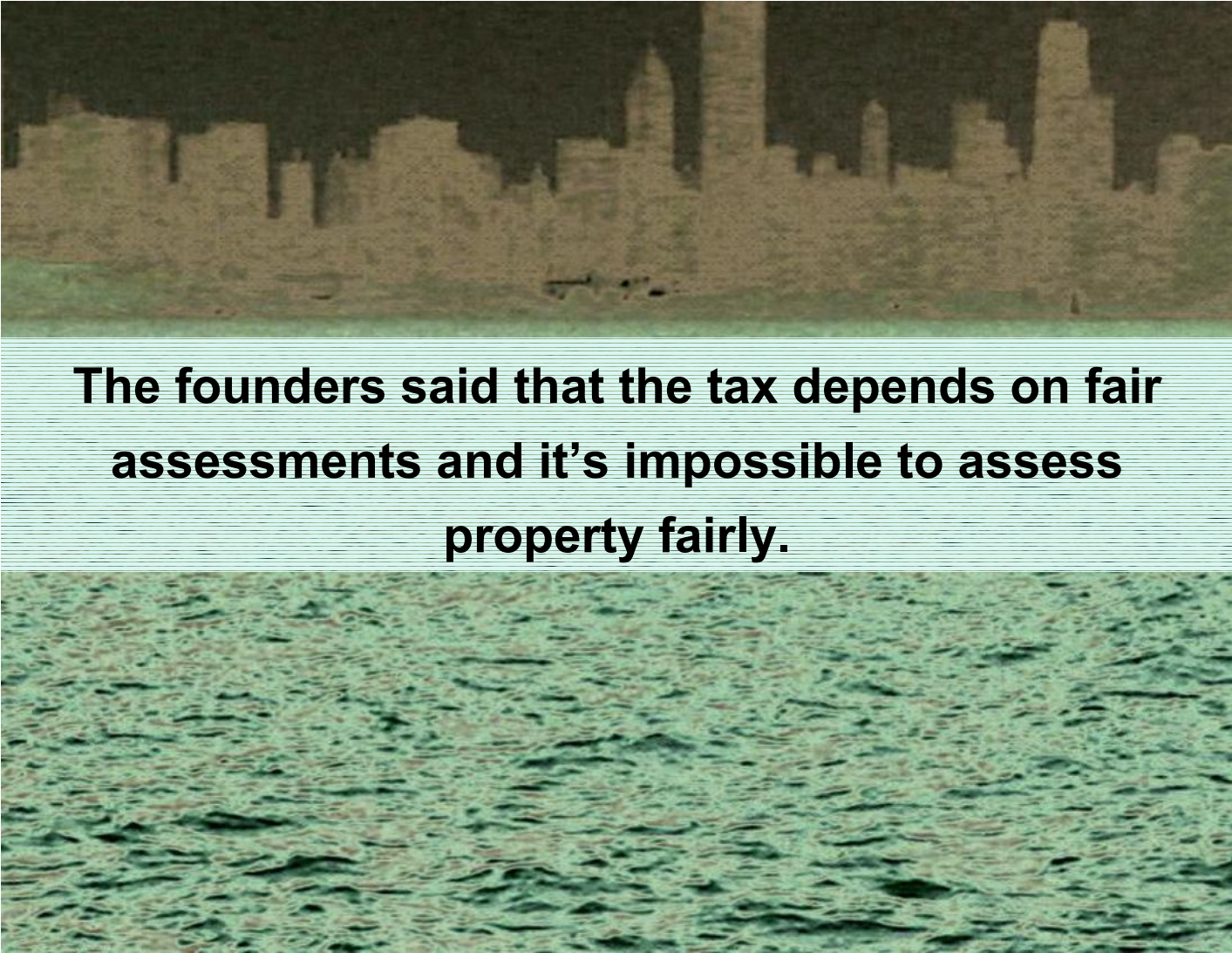


**The people, in their aggregate, through their  
elected representatives, are obligated  
to enforce contracts and have no right  
to alter and defy them.**



A photograph of a city skyline across a body of water. The skyline is silhouetted against a dark sky, with various building shapes visible. The water in the foreground is dark and has a textured, rippled surface. The text is centered over the water.

**US founders debated the property tax when they were writing their 1781 constitution and again when they wished to void and replace it with their 1787 constitution.**

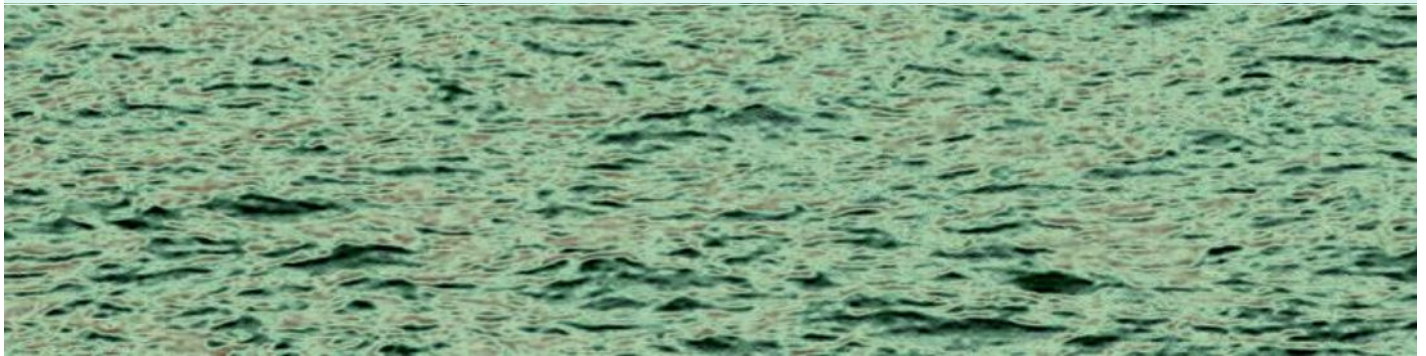
A photograph showing a city skyline across a body of water. The skyline is silhouetted against a dark sky, with various building shapes visible. The water in the foreground is dark and has a textured, rippled surface. The text is overlaid on the middle section of the image.


**The founders said that the tax depends on fair assessments and it's impossible to assess property fairly.**





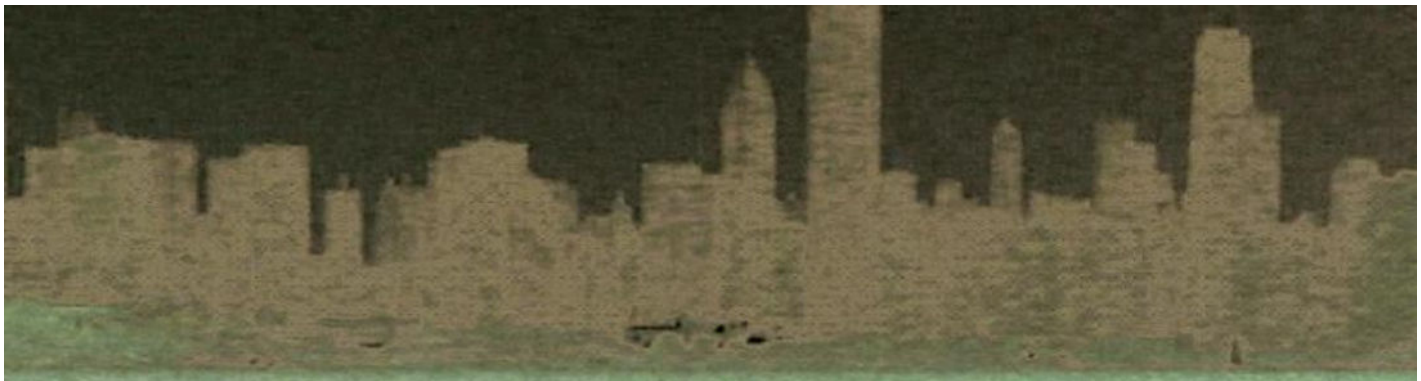
**Congress enacted and enforced property tax laws later when it needed both a carrot and a stick to manage the lords of France, Britain and Spain after their monarchs ceded territory to the US.**



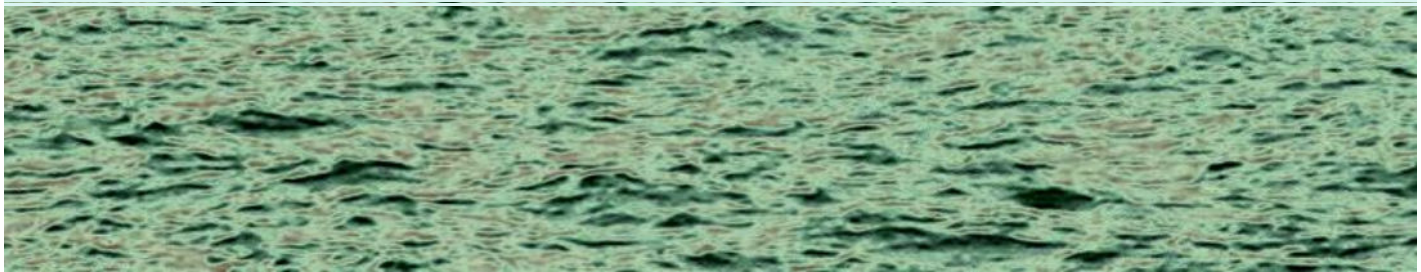
A photograph showing a city skyline with various skyscrapers and buildings, reflected in a body of water. The water is dark and has some ripples. The text is overlaid on the middle part of the image.

**Government officials assess real estate now as unfairly as US officials predicted assessments would fail at fairness 225 years before.**





**The impossibility of fair assessments would strike the property tax down if the people had a right to tax and seize property in the first place; but, of course, the people don't have the right - not by principle and not by contract.**



**Timeline/ Title/ Publisher**

**Excerpts: Real Estate Assessment and Taxation**

1775-12-26

Ford, Worthington Chauncey (editor)  
(1905). Journal of the Continental  
Congress, Vol.30.

Washington (DC): Library of Congress.

That each colony provide ways and means to sink its proportion of the said bills, in such manner as may be most effectual, and best adapted to the condition, circumstances, and equal mode of levying taxes in each colony. That the proportion or quote of each respective colony be determined according to the number of inhabitants, of all ages, including negroes and mulattoes in each colony. That each colony pay its respective quote in four equal payments ... and that, for this end, the several assemblies or conventions provide for laying and levying taxes in their respective colonies, towards sinking the continental bills; that the said bills be received by the collectors in payment for such taxes, and be by the collectors paid into the hands of the provincial treasurers; .. which other monies the provincial treasurers shall endeavour to get exchanged for continental bills; and when that cannot be done, shall send .. the deficiency in gold and silver, with the bills, making up the quota to be sunk.

1776-07-02

New Jersey constitution

found at

[www.yale.edu/lawweb/avalon/states/nj15.htm](http://www.yale.edu/lawweb/avalon/states/nj15.htm)

XIV. That the townships .. shall choose .. three or more judicious freeholders of good character, to hear and finally determine all appeals, relative to unjust assessments, in cases of public taxation ..

1776-08-01

Jefferson, Thomas

Notes of Debates to Madison

Journals of the Continental Congress.

Washington (DC): Library of Congress.

On Friday July 12. the committee appointed to draw the articles of Confederation reported them, and on the 22d the house resolved themselves into a committee to take them into consideration.

Mr. John Adams observed that the numbers of people were taken by this article as an index of the wealth of the state and not as subjects of taxation. It was of no consequence by what name you called your people whether by that of freemen or of slaves.

That in some countries the labouring poor were called freemen, in others they were called slaves; but that the difference as to the state was imaginary only ..



**Timeline/ Title/ Publisher**

1776-08-01

Jefferson, Thomas

Notes of Debates to Madison

Journals of the Continental Congress.

Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

What matters it whether a landlord, employing ten laborers in his farm, gives them annually as much money as will buy them the necessaries of life, or gives them those necessaries at short hand.

The ten labourers add as much wealth annually to the state, increase its exports as much in the one case as the other

Certainly 500 freemen produce no more profits, no greater surplus for the payment of taxes than 500 slaves ..

(The) condition of the labouring poor in most countries .. is as abject as that of slaves .

On the 30th and 31st of that month and the 1st of the ensuing, those articles were debated which determined the .. quota of money which each state should furnish to the common treasury .. "Art. XI. all charges of war and all other expences that shall be incurred for the common defence, or general welfare, and allowed by the United states assembled, shall be defrayed out of a common treasury, which shall be supplied by the several colonies ..

Mr. Chase .. admitted that taxation should be always in proportion to property; that this was in theory the true rule, but that from a variety of difficulties it was a rule which could never be adopted in practice.

The value of the property in every state could never be estimated justly and equally. Some other measure for the wealth of the state must therefore be devised; some standard referred to which would be more simple.

**Timeline/ Title/ Publisher**

1776-08-01

Jefferson, Thomas

Notes of Debates to Madison

Journals of the Continental Congress.

Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

Mr. Harrison proposed a compromise, that two slaves should be counted as one freeman. Mr. Wilson said .. Slaves occupy the places of freemen and eat their food. Dismiss your slaves and freemen will take their places .. It has sometimes been said that slavery is necessary because the commodities they raise would be too dear for market if cultivated by freemen; but now it is said that the labour of the slave is the dearest. Mr. Payne urged the original resolution .. to proportion the quotas of the states to the number of souls. Dr. Witherspoon was of opinion that the value of lands and houses was the best estimate of the wealth of a nation, and that it was practicable to obtain such a valuation.

1778-07-09

Peters, Richard, (editor) (1845). Public Statutes at Large of the United States of America, Vol. I.

Boston: Charles C. Little and James Brown.

Congress drafted the Articles of Confederation three years before the colonial committees approved them and put them into force.

Art. 8. .. All charges of war, and all other expenses that shall be incurred for the common defence or general welfare, and allowed by the US, in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several States, in proportion to the value of all land within each State, granted to, or surveyed for, any person, as such land and the buildings and improvements thereon shall be estimated, according to such mode as .. Congress .. shall, from time to time, direct and appoint. The taxes for paying that proportion shall be laid and levied by the authority and direction of the legislatures of the several States, within the time agreed by .. Congress ..



**Timeline/ Title/ Publisher**

**Excerpts: Real Estate Assessment and Taxation**

1780-11-08

Hunt, Gaillard (editor) (1910). Journals of the Continental Congress, Vol. 18.  
Washington (DC): Library of Congress.

Resolved, That it be recommended to every State ... to repeal all laws containing embargoes and restrictions on trade and embargoes now in force ..

Resolved, That the Treasury take immediate measures to ascertain the value of the exports and imports from and into the several ports of the United States and lay before Congress an estimate thereof.

Resolved, That copies of such estimates be transmitted to the Minister of the United States at the Court of Versailles and Madrid, and that they be empowered to enter into stipulations for the repayment of such sums of money as they may borrow, out of the said funds and pledge the faith of the United States to make up any deficiency in the same.

And whereas Congress have recommended to the States of Virginia and Maryland to raise by Assessment upon their respective Inhabitants a certain quantity of Tobacco ..

1781-02-07

Hunt, Gaillard (editor) (1910). Journals of the Continental Congress, Vol. 19.  
Washington (DC): Library of Congress.

Whereas the events of the war may prevent the legislatures of some of these states from assembling in time to consider the act of Congress of the 3d, and consent to ... .. the vesting in Congress the power to levy the duties mentioned in the said act, so as to enable Congress to apply the said duties for the important purpose for which the said duties are designed; ...

Resolved, That so soon as all the states, whose legislatures shall and may assemble, shall consent to the vesting in Congress the power of levying the duties in the act aforesaid specified, Congress will proceed to the execution of the said powers; and the revenues arising from the said duties, shall be carried to the general credit of all the states which shall consent or accede thereto, in the first session of their respective legislatures, which shall be held after the said act shall have reached the executive powers of the states respectively.

(VIII) All charges of war, and all other expenses that shall be incurred for the common defense or general welfare, and allowed by the United States in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several States in proportion to the value of all land within each State, granted or surveyed for any person, as such land and the buildings and improvements thereon shall be estimated according to such mode as the United States in Congress assembled, shall from time to time direct and appoint.

The taxes for paying that proportion shall be laid and levied by the authority and direction of the legislatures of the several States within the time agreed upon by the United States in Congress assembled.

(IX) .. All controversies concerning the private right of soil claimed under different grants of two or more States, whose jurisdictions as they may respect such lands, and the States which passed such grants are adjusted, the said grants or either of them being at the same time claimed to have originated antecedent to such settlement of jurisdiction, shall on the petition of either party to the Congress of the United States, be finally determined as near as may be in the same manner as is before prescribed for deciding disputes respecting territorial jurisdiction between different States. ..

(XIII) Every State shall abide by the determination of the United States in Congress assembled, on all questions which by this confederation are submitted to them. And the Articles of this Confederation shall be inviolably observed by every State, and the Union shall be perpetual; nor shall any alteration at any time hereafter be made in any of them; unless such alteration be agreed to in a Congress of the United States, and be afterwards confirmed by the legislatures of every State.



**Timeline/ Title/ Publisher**

1781-03-22

Hunt, Gaillard (editor) (1910). Journals of the Continental Congress, Vol. 19. Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

The committee, to whom was referred "The act of the legislature of the State of Connecticut, vesting in Congress, for a limited time, a power to levy and collect duties for the purposes mentioned in the act of Congress of the 3 day of February last;" report [Note: From this point the entries are by George Bond.]

That it appears by an estimate reported to Congress, that upon loan office certificates and other loans made for the use of the public, an annual interest arises of more than one million of dollars: That the said debts being contracted on the faith and for the defence of the United States, and Congress having no means to discharge either the principal or interest, justice, good faith and the honor of the Confederacy, require that certain adequate and permanent funds should be provided by the respective states, and appropriated for the satisfaction of the public creditors and for supporting the war:

That, upon mature deliberation, it was the unanimous opinion of Congress that a duty on imports and prizes would be most equal throughout the United States, and least burthensome to our citizens:

**Timeline/ Title/ Publisher**

1781-04-19

Hunt, Gaillard (editor) (1910). Journals of the Continental Congress, Vol. 19. Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

The report of the committee (Adams, Duane, Wolcott & par) to whom was referred the letter .. in the name and behalf of the general court of Massachusetts, was taken into consideration; and the same being read twice, and agreed to:

Your committee have deliberately considered these several objections; and are persuaded of their insufficiency to justify any alteration in the act ... either as to the duty itself, or the manner of its application. ...

The Confederation prescribed another rule for fixing the quotas of aids for the common defence or general welfare, namely, that they shall be supplied by the several states in proportion to the value of all appropriated lands, and the houses and buildings in the respective states. But the attainment of such an estimate, flagrante bello, is difficult; perhaps in some states, which are the seat of war, impracticable; in every view it must be remote.

Thus Congress, without an accurate knowledge of the comparative wealth and abilities of the respective states, were, from the necessity of the case, obliged not only to call for aids, but to apportion those aids on such information as they possessed.



**Timeline/ Title/ Publisher**

**Excerpts: Real Estate Assessment and Taxation**

1782-00-00

Prefatory Note.

Gaillard Hunt (editor) (1914). Journals of the Continental Congress, Vol. 22.

Washington (DC): Library of Congress.

The Articles of Confederation said that the quotas for Federal expenses should be apportioned among the States according to the value of the land in each State; but, when an arrangement for making the valuation was attempted, it was found that there were serious difficulties in the way of carrying it out. Was the value of land a fair test of the financial capacity of the several States? If it was, who could make it in a satisfactory manner? Sharp differences of opinion on the wisdom and practicability of the plan developed .

1782-08-05

Letter from the Office of Finance.

Hunt, Gaillard (editor) (1914). Journals of the Continental Congress, Vol. 22.

Washington (DC): Library of Congress.

(In February) I (proposed) a Land Tax (\$1) for every (100 acres) .. a Poll Tax (\$1) on all freemen, and all male slaves .. and an excise of (\$0.125) per gallon, on all distilled spirituous liquors. Each of these may be estimated at (\$500,000) and .. the sum (\$2 million) ..

The advantages of (a Land Tax) are, that it can be reduced to a certainty as to the amount and time. That no extraordinary means are necessary to ascertain it. And that land being the Ultimate object of human avarice, and that particular species of permanent property which so peculiarly belongs to a Country as neither to be removed nor concealed, it stands foremost for the object of taxation and ought most particularly to be burthened with those Debts which have been incurred by defending the freedom of its Inhabitants.

But besides these general reasons, there are some which are in a manner peculiar to this Country; the land of America may, as to the proprietors be divided into two kinds, that which belongs to the great Landholder and that which is owned and occupied by the industrious cultivator. This latter class of citizens is generally speaking the most numerous and most valuable part of a community.

The artisan may under any government minister to the luxuries of the Rich, and the Rich may under any government obtain the luxuries they covet; but the free husbandman is the natural Guardian of his Country's freedom.

A Land Tax will probably at the first mention. startle this order of men, but it can only be from the want, of reflection, or the delusion must be kept up by the artifice of others.

(A) large proportion of America is the property of great landholders, they monopolize it without cultivation, they are (for the most part.) at no expence either of money or personal service to defend it, and keeping the price higher by monopoly than otherwise it would be they impede the settlement and culture of the Country ..

A Land Tax .. would have the salutary operation of an agrarian law without the iniquity. It would relieve the indigent and aggrandize the State by bringing property into the hands of those who would use it for the Benefit of Society.

The objections .. are .. first .. it is unequal .. To obviate the inequality some have proposed an estimate of the value of different kinds of lands; but this would be .. attended with great delay expence and inconvenience .. (It) would be uncertain .. (There) is no reason to believe that any estimate would be just ... and (if) annually varied (valuations) would cost more than the Tax .. (Valuations) would operate as a tax upon industry, and promote that land monopoly which every wise Government will study to repress .. But (if) the (Land) Tax (is) permanent and fixed it is considered in the price of land on every transfer of property, and that produces a degree of equality which no valuation could possibly arrive at.



Timeline/ Title/ Publisher

1782-08-05

Letter from the Office of Finance.  
Hunt, Gaillard (editor) (1914). Journals of  
the Continental Congress, Vol. 22.  
Washington (DC): Library of Congress.

Excerpts: Real Estate Assessment and Taxation

The objections .. are .. secondly .. it is too high. Land which is of so little worth that the owner will not pay annually (\$0.01) per acre for the defence of it, ought to belong to the society by whom the expence of defending it is defrayed. But the truth is that this objection arises from and is enforced by those men, who can very well bear the expence, but who wish to shift it from themselves to others.

I shall close this subject by adding, that as such a Tax would besides the benefits to be derived from the objects of it, have the farther advantage of encouraging settlements and population, this would redound not only to the national good, but even to the particular good of the landholders themselves.

The objections (to a Poll Tax) are principally drawn from Europe, by men who do not consider (the) difference of circumstances (in the US) .. In some parts of Europe (90%) of the people are exhausted by continual labor to procure bad cloathing and worse food .. (a Poll) Tax would be extremely oppressive (on them) ..

(In the US) (3 days) labor produce sustenance for (7 days) .. it is .. reasonable to ask (2 days) out of (365 days) as a contribution to the payment of public Debts. (A Poll Tax) will on the Rich be .. nothing, on the middling ranks it will be .. little .. and .. (the poor) .. will fall within the exception proposed .. Labor is in such demand (in the US) that the Tax will fall on the consumer. An able bodied man who demands (\$100) bounty to go into military service for (3) years, cannot be oppressed by the annual payment of (\$1) ..

(A Poll Tax) also will have the good effect of placing before the eyes of Congress the number of men in the several States, an information always important to Government.

**Timeline/ Title/ Publisher**

**Excerpts: Real Estate Assessment and Taxation**

1783-00-00

Prefatory Note.

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 24. Washington (DC): Library of Congress.

A long and at times heated debate upon the various means suggested for raising revenue and supporting the public credit culminated finally in a renewal of the recommendation to the various legislatures to levy an import tax of (5%) for Federal purposes, leaving to the States themselves the appointment of the collecting officers.

1783-01-27

Madison, James.

Notes of Debates in the Continental Congress.

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 25. Washington (DC): Library of Congress.

The order of the day was called for, to wit the Resolution (1783-01-25) in favor of adequate & substantial funds. This subject was introduced (by Wilson) with some judicious remarks ... The peculiar repugnance of the people of the US to taxes he supposed proceeded first from the odious light in which they had been under the old Govt., in the habit of regarding them ..

(Bland) thought that the ideas of the States on the subject were so averse to a general revenue in the hands of Congress ... that if such a revenue were proper it was unattainable ... it would be a wiser course to pursue the rule of the Confederation, to-wit .. to ground the requisition on an actual valuation of lands .. that Congress wd. then stand on firm ground and try a practicable mode.

(Rutledge) objected to the term "generally" as implying a degree of uniformity in the tax which would render it unequal .. He had in view particularly a land tax according to quantity as had been proposed by the office of finance .. .. urging the necessity of pursuing a valuation of land, and requisitions grounded thereon ..

(Lee) seconded the opposition to the term "general" .. He contended that the States would never consent to a uniform tax because it would be unequal .. that it was moreover repugnant to the articles of confederation .. and by placing the purse in the same hands with the sword, was subversive of the fundamental principles of liberty.



Timeline/ Title/ Publisher	Excerpts: Real Estate Assessment and Taxation
1783-01-27 Madison, James. Notes of Debates in the Continental Congress. Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 25. Washington (DC): Library of Congress.	<p>(Rutledge) complained that those who so strenuously urged .. a general revenue .. declined specifying any general objects from which such a revenue could be drawn.</p> <p>[Note in manuscript: He was apprehensive that a tax on land according to its quantity not value as had been recommended (by Morris) was in contemplation.]</p> <p>(Madison) thought the commitment unnecessary .. He suggested as practicable objects of a general revenue: (1) impost on trade; (2) poll tax under certain qualifications; and (3) a land-tax (also under certain qualifications) ..</p> <p>(Hamilton) suggested a house &amp; window tax.</p> <p>On the motion for the commitment (6 states were in favor; 5 against) .. so it was lost ..</p> <p>(Lee) said .. it was a waste of time to be forming resolutions &amp; settling principles on this subject .. would (these) ever bring any money into the public treasury (?) .. States would never agree to those plans which tended to aggrandize Congress .. they were jealous of the power of Congress ...</p>

**Timeline/ Title/ Publisher**

**Excerpts: Real Estate Assessment and Taxation**

1783-01-30

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 24. Washington (DC): Library of Congress.

A grand committee, consisting of a member from each State, to whom was referred the report of a committee on "the mode of estimating the value of lands in the United States, with the buildings and improvements thereon, for the purpose mentioned in the Articles of Confederation," brought in a report ..

(And) the same being read: Ordered, That it be referred to the committee of the whole.

Congress was then resolved into a committee of the whole, and after some time the President resumed the chair, and (Carroll) reported, that the committee of the whole .. have made some progress, but not having come to a conclusion, desire leave to sit again on Monday.

Ordered, That leave be granted.

1783-02-06

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 24. Washington (DC): Library of Congress.

The Committee, appointed to devise and report the most effectual mode of estimating the value of the lands in the US for the purpose mentioned in the Articles of Confederation, submit the following Resolve, ..

Whereas by the Articles of Confederation and perpetual union, .. that all charges of war and all other expences that shall be incurred for the common defence or general welfare, and allowed by the US in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several states, in proportion to the value of all land within each State, granted to or surveyed for any person, as such land, and the buildings and improvements thereon, shall be estimated according to such mode as the US in Congress assembled shall, from time to time, direct and appoint; and that the taxes for paying that proportion, shall be laid and levied by the authority and direction of the legislature of the several states, within the time agreed on by the United States in Congress assembled ..



**Timeline/ Title/ Publisher**

1783-02-06

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 24.

Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

Resolved, That the legislatures of the several states be, and they are hereby required to pass laws .. for forming or dividing their respective states into such districts as they may judge most convenient and proper, to procure an accurate estimate of the value of all lands in such State .. and that the executive authority of the State transmit to Congress, on or before the first day of January next, returns of the quantity of land in each district, and of the value of the said land, and of the buildings and improvements thereon, together with copies of the laws passed by the legislature ..

A motion was made by (Hamilton, seconded by Fitzsimmons) to postpone the resolution before the house, and to take into consideration the following motion:

Whereas the carrying into execution the 8th Article of the Confederation, relative to a valuation of land, for ascertaining the quotas of each State towards the general expence, in a manner consistent with justice to all the members of the union, and with such accuracy as the importance of the subject demands, will necessarily be stranded with very considerable expence, to which the present state of the public finances is inadequate: and whereas in a matter so fundamental in the Confederation, it is essential to the harmony and welfare of the US, that the said article should be carried into effect with great care, circumspection and impartiality, and a short delay will be much less pernicious than a defective execution ..

Therefore .. Resolved, That Congress are under a necessity of deferring the attempt to a period when the situation of the finances of the US will admit of the necessary expence for effecting the object with as much precision and equity as possible ..

A division was called for, and on the general question to postpone the consideration of the resolution before the house, the yeas and nays being required by (Hamilton) .. the question was lost ..

On the question to agree to the resolution, the yeas and nays being required by (Gervais): (9 delegates and 2 states voted no; 16 delegates and 5 states voted yes; 2 states were divided) .. the question was lost.

**Timeline/ Title/ Publisher**

1783-03-06

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 24.

Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

[Report of (Gorham, Hamilton, Madison, FitzSimons, Rutledge) appointed to consider the means of restoring and supporting public credit and of obtaining from the States substantial funds for funding the whole debt of the US.] ..

Resolved, That it be recommended to the several States, as indispensably necessary to the restoration of public credit, and the punctual and honorable discharge of the public debts, to vest in the US in Congress assembled, a power to levy for the use of the US, a duty of (5%) ad valorem, at the time and place of importation, upon all goods, wares and merchandizes of foreign growth and manufactures, which may be imported into any of the said States, from any foreign port, island or plantation, except arms, ammunition, clothing and other articles imported on account of the US, or any of them, and except wool cards, cotton cards, and wire for making them, and also except salt during the war ..

Also to levy a duty of

(\$0.125) per bushel on all salt imported

(\$0.066) per gallon on all wines;

(\$0.033) per gallon on all rum and brandy;

(\$0.067) per 112 lbs. on all brown sugars;

(\$1) per 112 lbs. on all powdered, lump and clayed sugars, other than loaf sugars;

(\$1.33) per 112 lbs. on all loaf sugars;

(\$0.033) per lb. on all Bohea Tea and

(\$0.067) of a dollar per lb. on all finer India teas, imported as aforesaid [after & in addition to the (5%) above mentioned.]

[Note: The words in brackets are in the writing of Charles Thomson. On the printed copy is the following marginal note in manuscript: March 11, 1783, recommitted with the estimate of the public debt by the Superintendent of finance and that part of his letter which proposes that the impost of (5%) ad valorem be exchanged for a tariff.]



**Timeline/ Title/ Publisher**

1783-03-06

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 24.

Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

(Passed) Provided, That none of the said duties shall be applied to any other purpose than the discharge of the interest or principal of the debts which shall have been contracted on the faith of the US, for supporting the present war, nor be continued for a longer term than (25) years; and provided, that the collectors of the said duties shall be appointed by the states within which their offices are to be respectively exercised ..

(Negatived) .. to remove all objections against a retrospective application of the constitutional rule, of apportioning/proportioning to the several states, the charges and expences which shall have been supplied for the common defence or general welfare ..

That as a more convenient and certain rule of fixing/ascertaining the proportions to be supplied by the states respectively to the common treasury, the following alteration in the Articles of Confederation and perpetual union between the states ..

(Struck out March 28) So much of the (8th) Article of Confederation and perpetual union between the (13) states .. contained in the words .. "All charges of war," &c., (to the end of the paragraph), is hereby revoked and made void ..

(And) in place thereof .. that all charges of war, and [all other expences that shall be incurred for the common defence or general welfare, and allowed by the US in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several states,] .. in proportion to the number of inhabitants of every age, sex and condition, except Indians .. provided .. no persons shall be included who are deemed slaves bound to servitude for life .. (except) between the ages of --- and ---

**Timeline/ Title/ Publisher**

1783-03-18

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 24. Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

Resolved, That it be recommended to the several states, as indispensably necessary to the restoration of public credit, and to the punctual and honorable discharge of the public debts, to invest in the United States in Congress assembled, a power to levy for the use of the US the following duties ..

- (\$0.044) rum of Jamaica proof, per gallon,
- (\$0.033) all other spirituous liquors,
- (\$0.133) Madeira wine,
- (\$0.067) the wines of Lisbon, Oporto, those called Sherry, and all French wines,
- (\$0.055) the wines called Malaga or Teneriffe,
- (\$0.044) all other wines,
- (\$0.067) common bohea tea per pound,
- (\$0.266) all other teas ..
- (\$0.033) pepper per pound,
- (\$0.0055) brown sugar per pound,
- (\$0.022) loaf sugar,
- (\$0.011) all other sugars,
- (\$0.011) molasses per gallon,
- (\$0.011) cocoa and coffee per pound,
- (\$0.125) salt, after the present war, per bushel,

all other goods except arms, ammunition and cloathing or other articles imported for the United States, a duty of (5%) ad valorem, provided that there be allowed a bounty of (\$0.125) for every quintal of dried fish exported out of the US and (\$0.125) for every barrel of pickled fish, beef or pork .. allowed to the exporters thereof at the port ..

That none of the preceding resolutions shall take effect until all of them shall be acceded to by every State, after which unanimous accession, however, they shall be considered as forming a mutual compact among all the states, and shall be irrevocable by any one or more of them without the concurrence of the whole or of a majority of the United States in Congress assembled.



**Timeline/ Title/ Publisher**

1783-03-18

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 24. Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

All charges of war and all other expences that have been or shall be incurred for the common defence or general welfare, and allowed by the US in Congress Assembled .. shall be defrayed out of a common treasury which shall be supplied by the several states in proportion to the whole number of white and other free citizens and inhabitants of every age, sex and condition, including those bound to servitude for a term of years and three-fifths of all other persons not comprehended in the foregoing description, except Indians, not paying taxes ..

A motion was made by (Wilson, seconded by Hamilton) to add .. "also a tax of (\$0.25) per (100) acres on all located and surveyed land ..

On the question to agree to the motion, the yeas and nays required by (Wilson) .. it passed in the negative. (Did not pass.) (19 delegates and 6 states voted no; 12 delegates and 4 states voted yes; 2 states were divided.)

**Timeline/ Title/ Publisher**

1783-03-28

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol. 24. Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

Congress resumed the consideration of the report of the committee on the means of restoring and supporting public credit .. the .. clause being amended to ..

(All) charges of war and all other expences that have been or shall be incurred for the common defence or general welfare, and allowed by the United States in Congress assembled, except so far as shall be otherwise provided for, shall be defrayed out of a common treasury, which shall be supplied by the several states in proportion to the whole number of free white inhabitants, and one half three-fifths of the number of all other inhabitants of every sex and condition, except Indians not paying taxes ..

A motion was made by (Bland, seconded by Lee) that the same be struck out of the report ..

And on the question shall the paragraph as amended, stand as part of the report? the yeas and nays being required by (Bland) (17 delegates and 6 states voted yes; 15 delegates and 5 states voted no) .. the question was lost and the paragraph struck out.

1786-01-03

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol.30. Washington (DC): Library of Congress.

Report on Revenue From States: Rhode Island .. has enacted .. a tax of one spanish silver milled dollar upon every .. (100 acres) of land ... upon every male poll .. 21 Years of Age .. upon every horse or mare of two years old and upwards ..



**Timeline/ Title/ Publisher**

1786-03-08

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol.30. Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

(1)

The committee (Dane, Grayson, Mitchel, Monroe, Kean) to whom was referred the motion (Dane) .. report (in 7 pages) .. on examining the doings of Congress and the several States relative thereto ..

Find that Congress, at an early period in the affairs of the Union ..  
Having no federal rule for apportioning taxes and the common charges of the Confederacy on the respective States ..  
Adopted as the only one in their power .. the number of Inhabitants in each State ..

When the (8th) article of Confederation and perpetual union .. came under their examination ..

The inequalities and difficulties that would attend the carrying of it into effect, were foreseen by several of the States, and there fore .. objected to ..

(2)

These difficulties then but imperfectly foreseen .. have, by many years experience, been sufficiently realized and fully demonstrated ..  
Notwithstanding (5) years have elapsed since this compact was finally ratified ..  
And notwithstanding the earnest Recommendation of Congress to the several States .. more than (3) years ago ..

To make and transmit to the US in Congress, an accurate, and Just account of the quantity of land in each State ..

.. with the buildings and improvements thereon ..

Yet, not a single State in the Union has, in any degree complied therewith, and transmitted such account ..

Unless an unauthenticated account transmitted by (NH) of the houses, other buildings and lands in that State, a part whereof was imperfectly formed from conjecture can be considered a compliance ..

Timeline/ Title/ Publisher	Excerpts: Real Estate Assessment and Taxation
1786-03-08 Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol.30. Washington (DC): Library of Congress.	<p data-bbox="678 60 708 86">(3)</p> <p data-bbox="678 90 1484 142">Congress appears to have been aware of the impracticability in some degree of its execution, and the inequality of its operation ..</p> <p data-bbox="678 174 1438 226">The US in Congress assembled (1783-04-18), after mature deliberation, and examining the subject in its full extent ..</p> <p data-bbox="678 231 1386 256">Almost unanimously agreed to propose .. an alteration of that article ..</p> <p data-bbox="678 260 1159 285">Instead of the rule of (real estate assessment) ..</p> <p data-bbox="678 289 1484 342">Then proposed .. supplying the common Treasury in proportion to the number of .. inhabitants (with allowances to states where there were slaves &amp; Indians) ..</p> <p data-bbox="678 373 1500 426">The Justice, propriety, and expediency of the change, are fully and largely stated ..</p> <p data-bbox="678 430 1484 483">A majority of the States, and a great proportion of the whole confederacy, have readily and fully approved of the proposed alteration ..</p> <p data-bbox="678 487 1484 539">(And Congress fulfilled its duty to set up a system for counting the inhabitants of states) ..</p> <p data-bbox="678 550 708 575">(4)</p> <p data-bbox="678 579 1468 663">In this situation .. after so many exertions .. to effect some mode by which the Common burdens of the Confederacy may be equally borne, and the ruinous consequences of injustice and inequality avoided ..</p> <p data-bbox="678 667 1468 718">The Committee are induced again to examine why no efficient measures have been pursued by the respective States to effect an object so desirable ..</p>



**Timeline/ Title/ Publisher**

1786-03-08

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol.30. Washington (DC): Library of Congress.

**Excerpts: Real Estate Assessment and Taxation**

(5)

When it is considered how uncertain and fluctuating the value of real property in the several States ..

How variant their rules and opinions in ascertaining it ..

How often .. to form new estimates ..

How tedious and expensive ..

(Though) it is a well established position that the ability of a (State) to bear public burdens is in proportion to the whole property of it ..

(But also) the means in the power of her Citizens to acquire property ..

(Taxation of real estate) would combine too many objects, indefinite in their nature ..

(6)

The real property of a (State) constitutes but a part of its wealth ..

The property, means, and acquisitions of numbers, concerned in trade, manufactures &c. are not brought into view in fixing the rule for assessing the (States) ..

Nor is there always a due proportion between the value and profits of real estates ..

The value of lands and their improvements are rather matters of opinion, and .. Men will not, probably rate them so much according to truth, as to certain rules they have been accustomed to in fixing ..

**Timeline/ Title/ Publisher**

1786-03-08

Fitzpatrick, J.C. (editor) (1922). Journals of the Continental Congress, Vol.30. Washington (DC): Library of Congress.

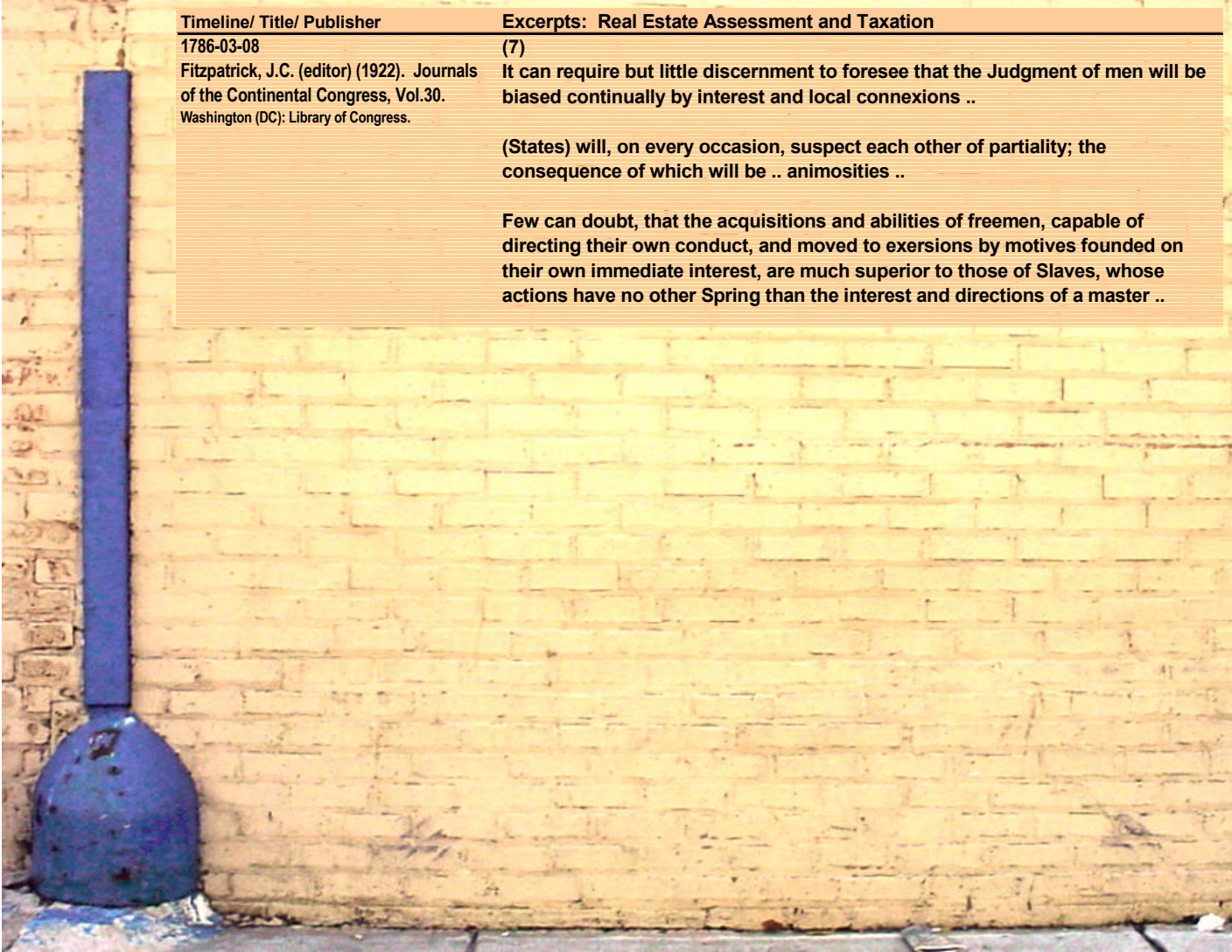
**Excerpts: Real Estate Assessment and Taxation**

(7)

It can require but little discernment to foresee that the Judgment of men will be biased continually by interest and local connexions ..

(States) will, on every occasion, suspect each other of partiality; the consequence of which will be .. animosities ..

Few can doubt, that the acquisitions and abilities of freemen, capable of directing their own conduct, and moved to exertions by motives founded on their own immediate interest, are much superior to those of Slaves, whose actions have no other Spring than the interest and directions of a master ..





Timeline/ Title/ Publisher	Excerpts: Real Estate Assessment and Taxation
1787-09-17 US Constitution (#3) Ryan, George H. (Illinois Secretary of State) (editor) (1993). Illinois Blue Book 1993-1994.	<b>Article 1:8</b> The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises ... but all Duties, Imposts and Excises shall be uniform throughout the United States.
	<b>Article 1:9</b> No capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken.
1798-07-09 Statute LXX	Ordered states to assess the value of land, houses, and slaves.
1798-07-14 Statute LXXV	Ordered Congress to raise \$2 million on the assessed value of land, houses, and slaves.  <i>(Note: It was the 9th anniversary of Bastille Day.)</i>
1799-01-21 Report of US HR Committee of Ways and Means instructed to inquire and report on amendments necessary to 1798 July 9 congressional act. found in Appendix to Debates of 5th Congress.	<b>(3602)</b> Attention has been particularly directed to two parts of (1798 Statute LXX) under which difficulties yet standing in the way of its execution have arisen.  <b>First.</b> (Problems regarding the act's provision for assessors' pay and failure to provide clerks to assist assessors were the excuses some states came up with for not following through on the congressional mandate to appoint assessors to evaluate land, houses, and slaves.)  <b>(3603-1)</b> <b>Second.</b> The provision that requires that the lists to be delivered by individuals to assistant assessors, shall contain 'the number and dimensions of windows' in every dwelling house, has given rise to much discontent and considerable embarrassment.

**Timeline/ Title/ Publisher**

1799-01-21

Report of US HR Committee of Ways and Means instructed to inquire and report on amendments necessary to 1798 July 9 congressional act.  
found in Appendix to Debates of 5th Congress.

**Excerpts: Real Estate Assessment and Taxation**

(3603-2)

This discontent has proceeded, in part, from the trouble which people find in measuring their windows and from an apprehension that the provision was intended as the ground-work of a window tax.

It is absolutely impossible for commissioners to inspect individually.

Congress conceived that the number and dimensions of the windows in a dwelling-house, would afford a pretty just criterion of its value.

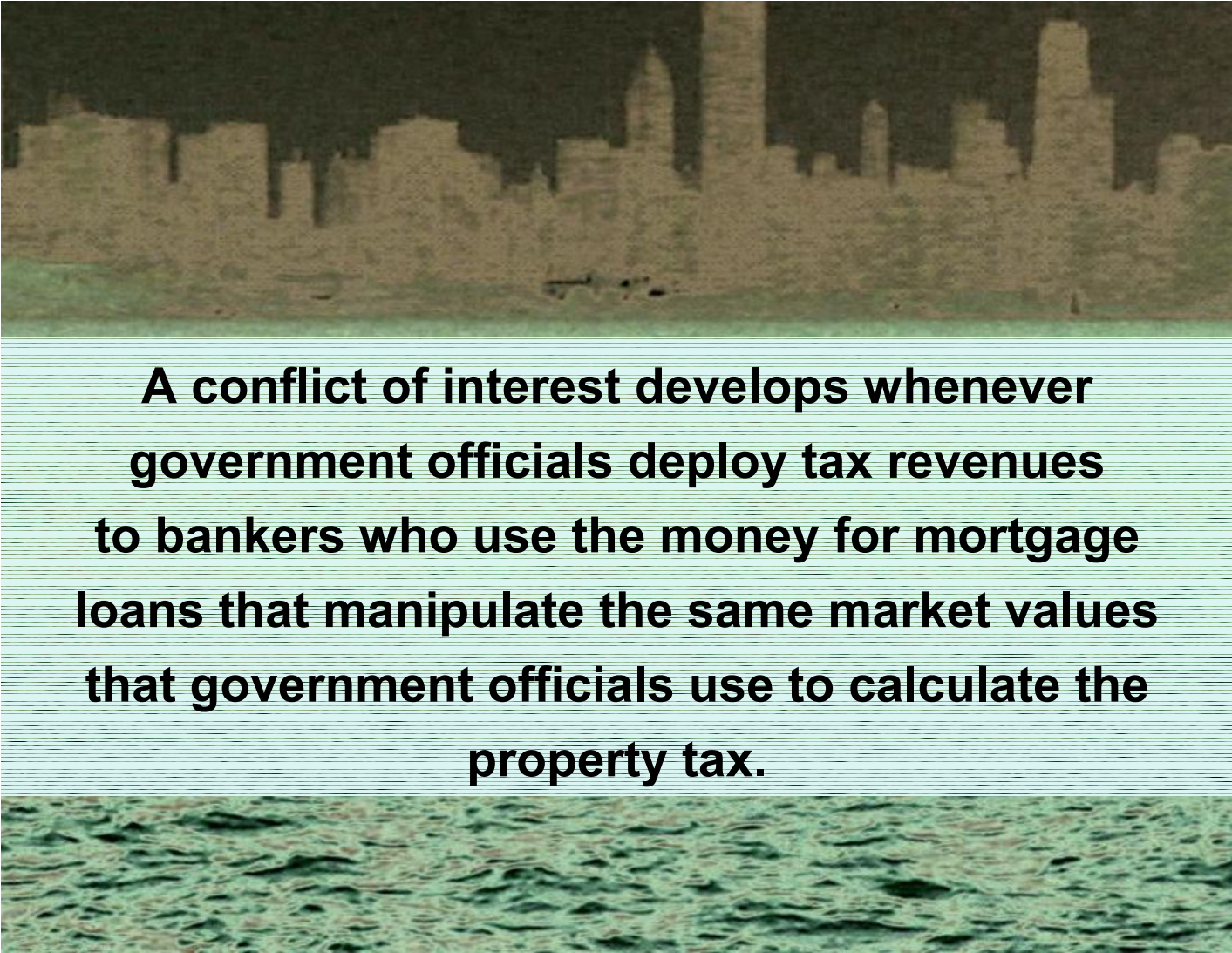
(3603-3)

But further inquiry and consideration have induced the committee to believe that any information to be obtained will be far less useful in guiding the judgment of the Commissioners than was at first supposed; since the number and size of the windows varies so much, according to taste, situation, fashion, and other circumstances; while the inconveniences resulting from the measure are real and considerable.

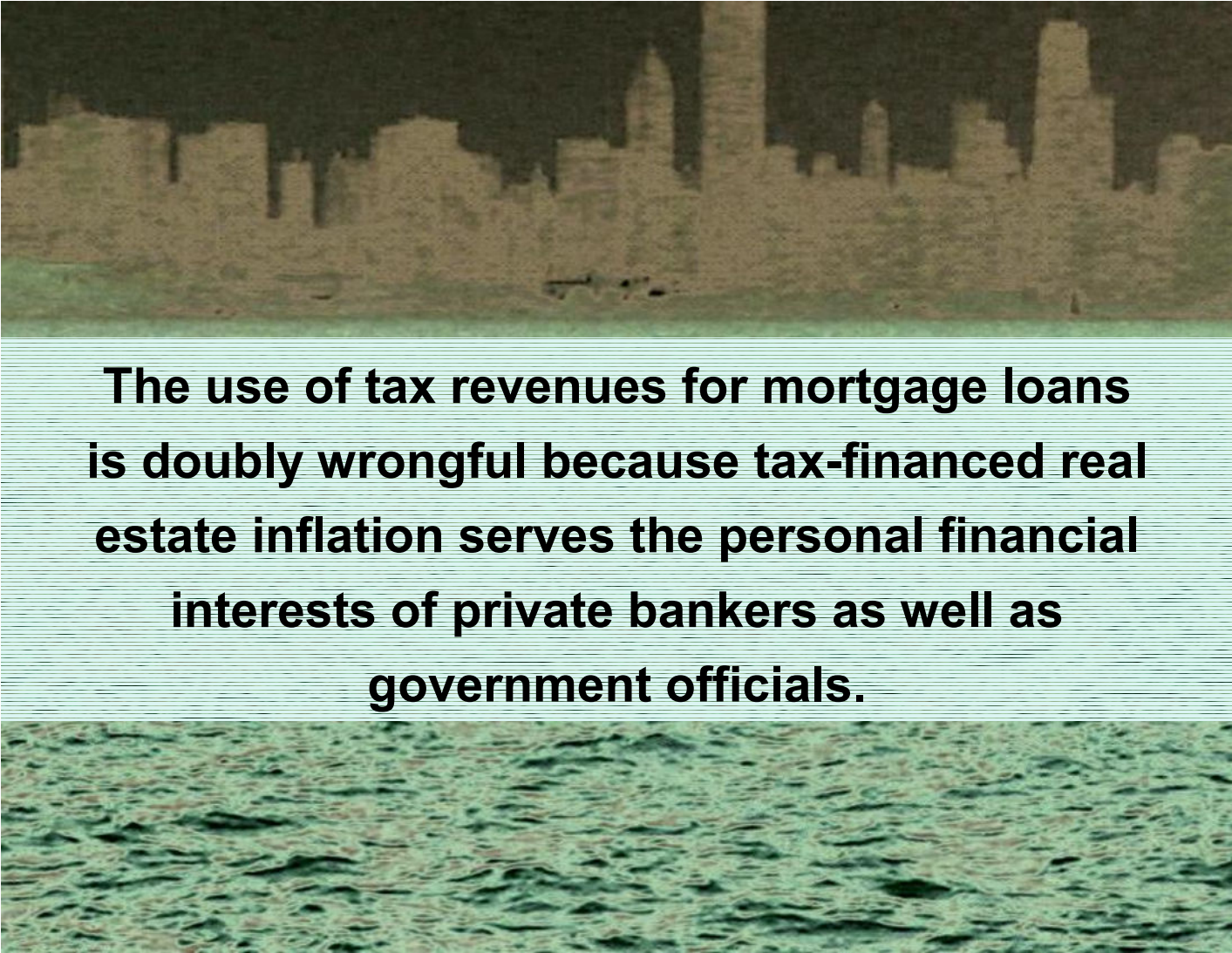
(3604-1)

The committee is therefore of opinion, that so much of the act as requires 'number and dimension of windows,' ought to be repealed.






**A conflict of interest develops whenever government officials deploy tax revenues to bankers who use the money for mortgage loans that manipulate the same market values that government officials use to calculate the property tax.**

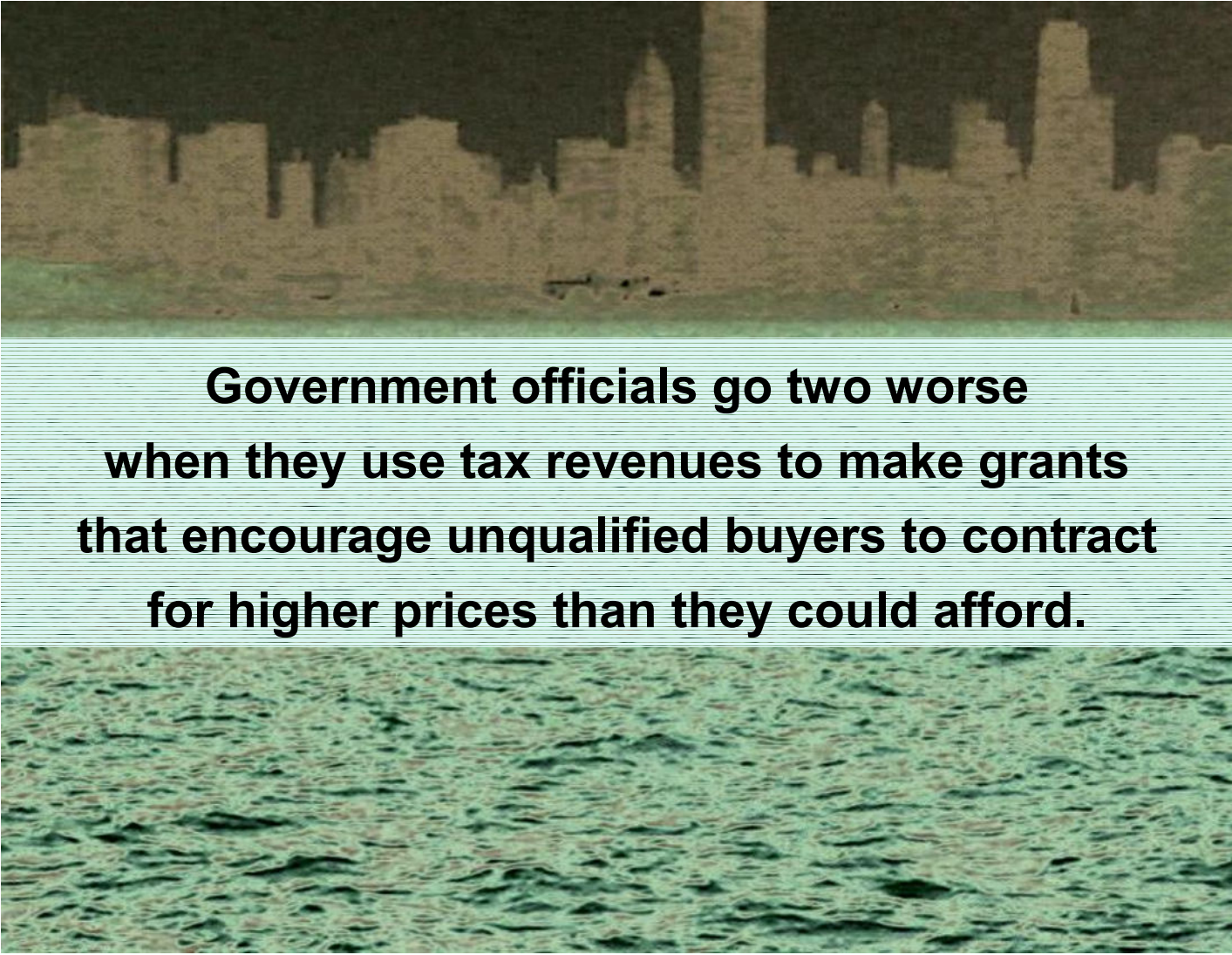


**The use of tax revenues for mortgage loans is doubly wrongful because tax-financed real estate inflation serves the personal financial interests of private bankers as well as government officials.**



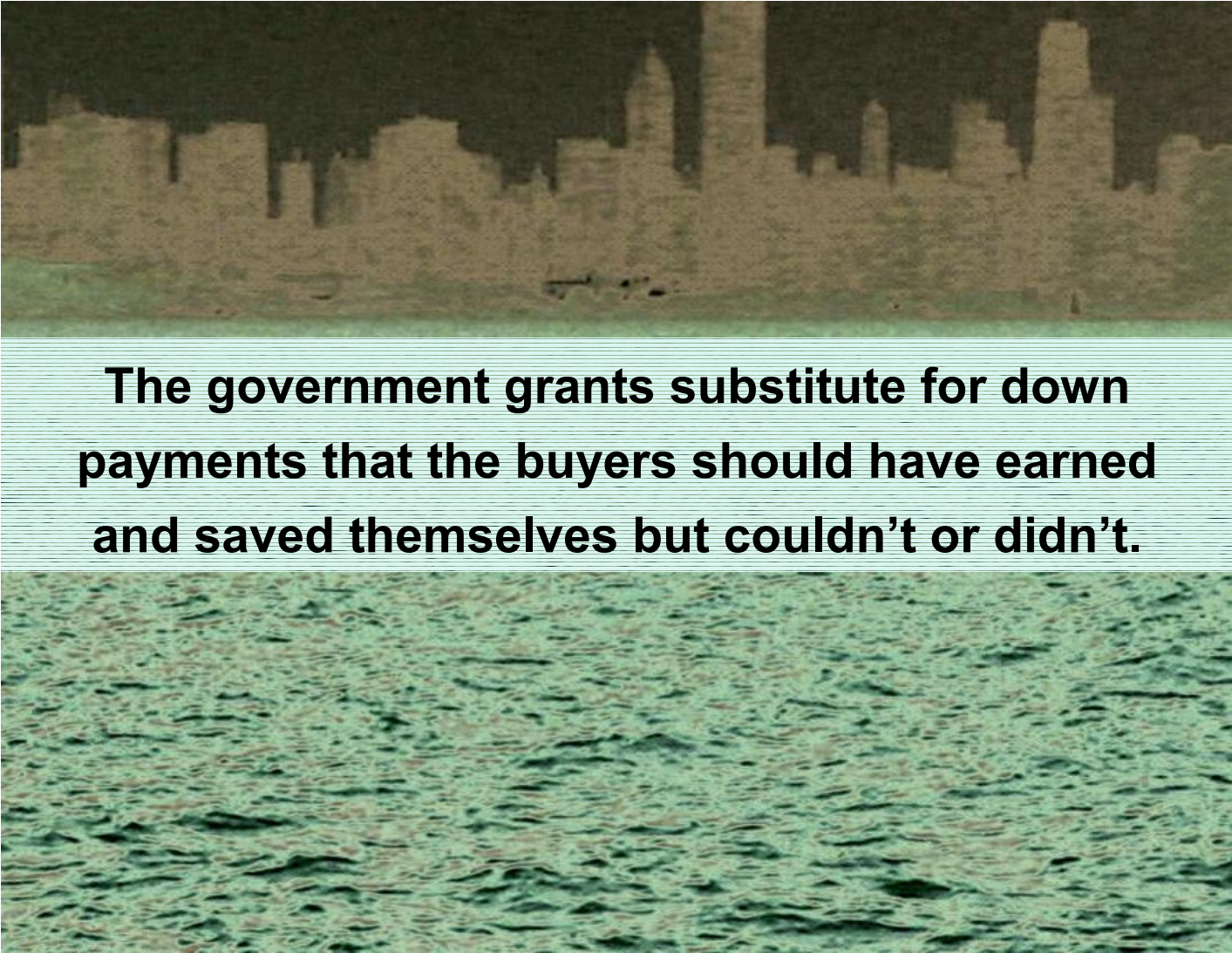
A photograph showing a city skyline with various skyscrapers and buildings, viewed from across a body of water. The sky is dark, and the water in the foreground is a deep blue-green color with some ripples.

**Government officials go one worse  
when they give tax breaks to mortgagees  
for the interest they pay that private bankers  
charge on inflationary mortgage loans.**

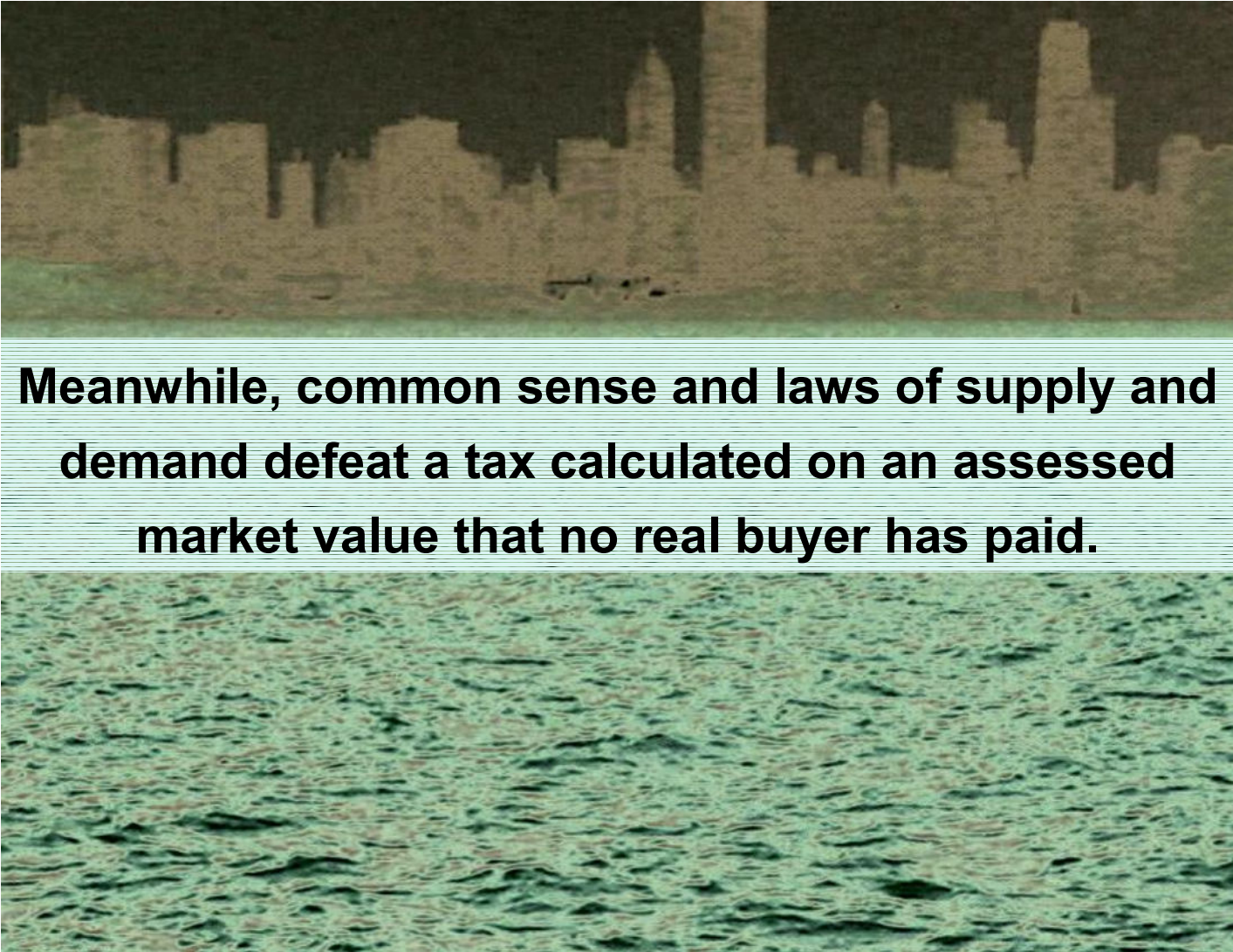


**Government officials go two worse  
when they use tax revenues to make grants  
that encourage unqualified buyers to contract  
for higher prices than they could afford.**



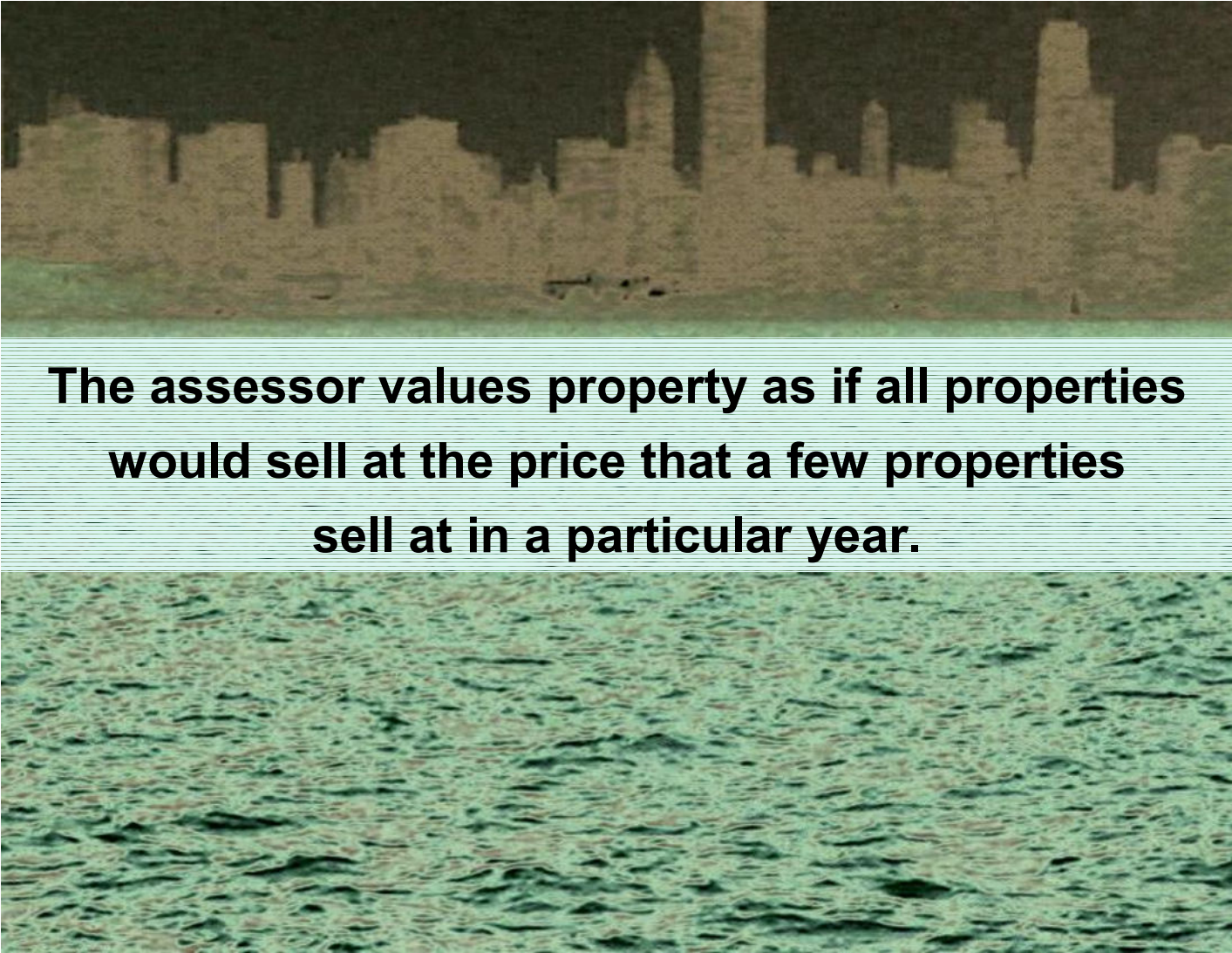
A photograph of a city skyline reflected in water. The skyline is in the upper half, and the water with ripples is in the lower half. The text is centered in the middle of the image.

**The government grants substitute for down payments that the buyers should have earned and saved themselves but couldn't or didn't.**

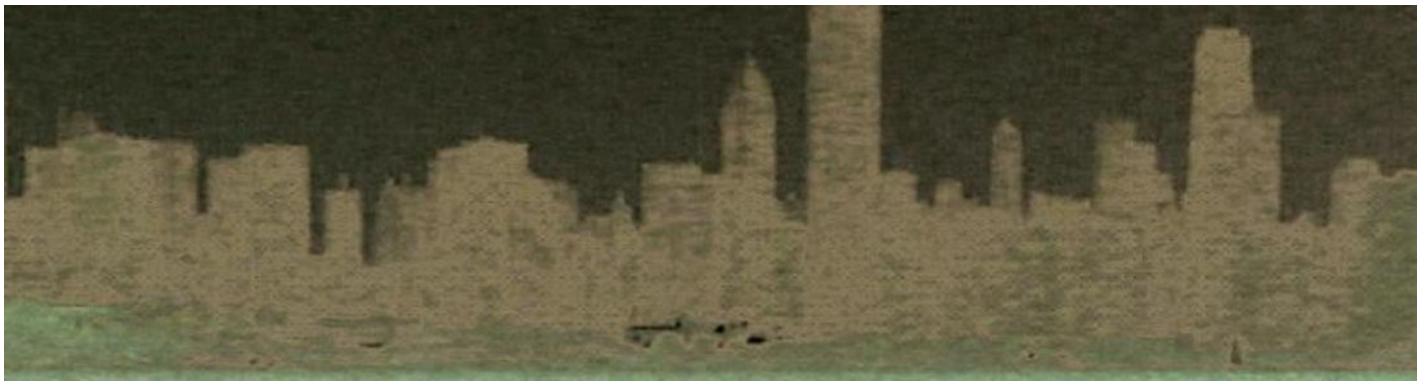
A photograph showing a city skyline across a body of water. The skyline is silhouetted against a dark sky, with several tall buildings visible. The water in the foreground is dark and has a textured, rippled surface. The text is overlaid on the middle of the image.

**Meanwhile, common sense and laws of supply and demand defeat a tax calculated on an assessed market value that no real buyer has paid.**

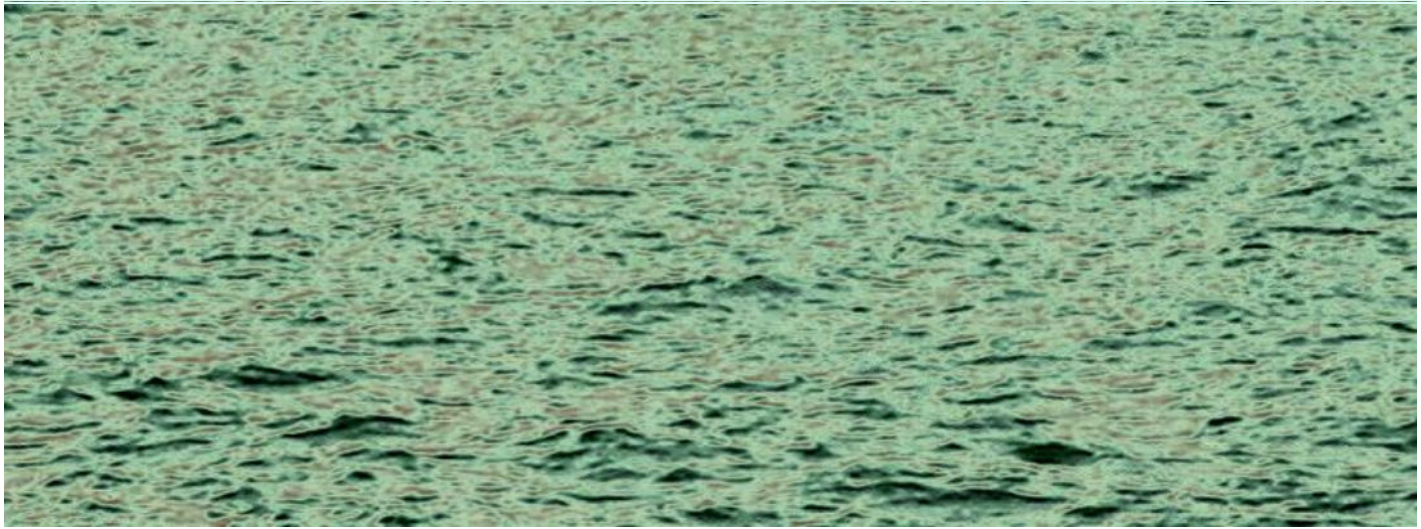


A photograph showing a city skyline across a body of water. The skyline consists of various buildings of different heights and colors, including some taller, more prominent structures. The water in the foreground is dark and has a textured, wavy surface. The text is overlaid on the middle part of the image.

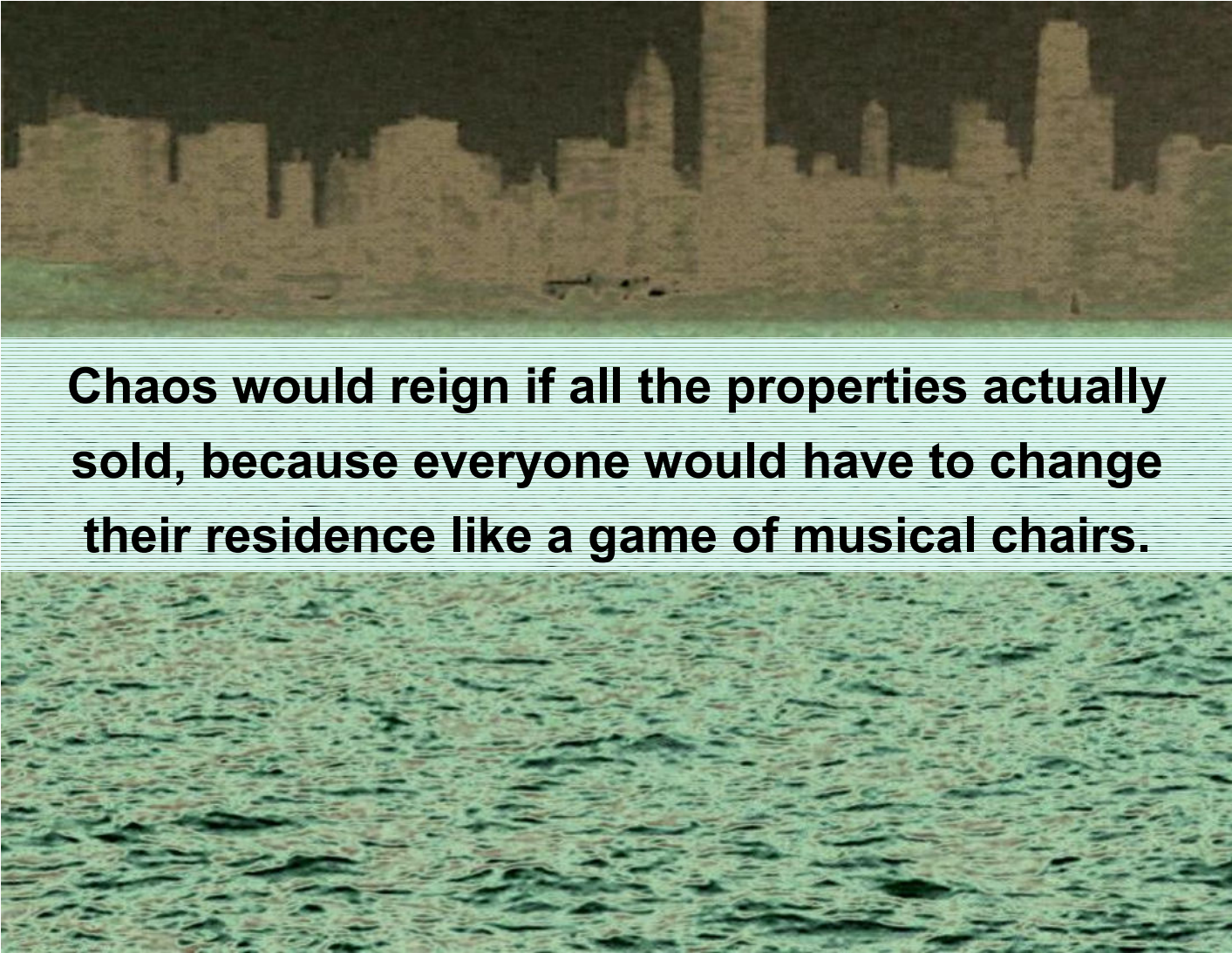
**The assessor values property as if all properties would sell at the price that a few properties sell at in a particular year.**



**Prices would drop sharply if all properties  
did go on the market in one year.**





A photograph of a city skyline reflected in water. The skyline is in the upper half, and the water with ripples is in the lower half. The text is centered in the middle of the image.

**Chaos would reign if all the properties actually sold, because everyone would have to change their residence like a game of musical chairs.**







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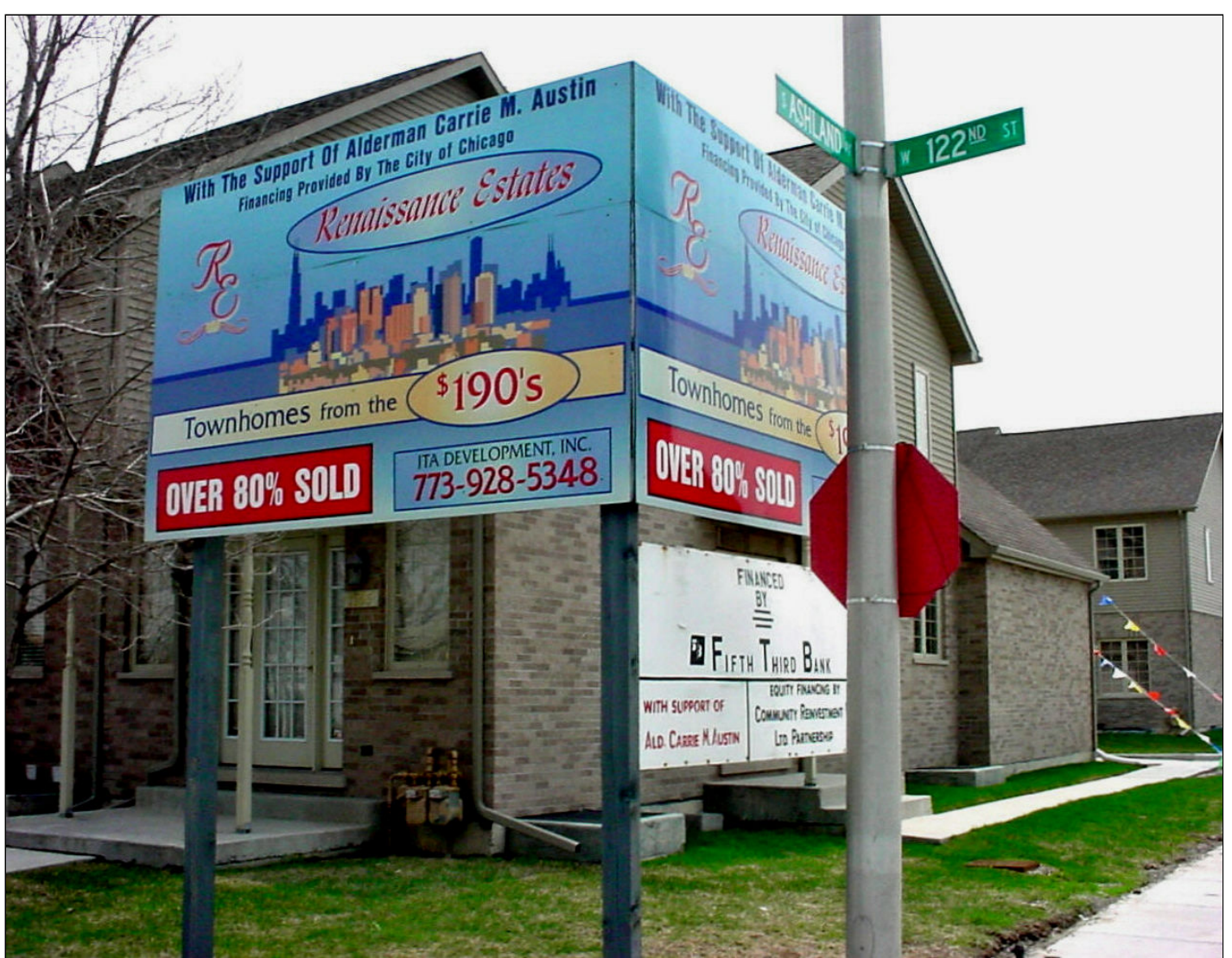
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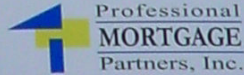
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**About**

**The Assessor's Office**

The Assessor's Office is responsible for setting fair and accurate values for 1.8 million parcels of Cook County property. The value of these properties is not determined on an individual basis, but rather by a mass appraisal system. The mass appraisal system is a way to put fairness into the entire assessment process.

Our public service responsibilities, however, are not limited to setting property values. In addition to working with other government agencies to stimulate economic development, job creation and the construction of affordable housing, we also seek to help county residents better understand the assessment process and take advantage of money-saving exemptions the office provides.

The Assessor's Office has also taken the lead on developing both short-term property tax relief proposals as well as working toward the overall restructuring of the tax system to make it more equitable for all taxpayers.

**The Role of the Cook County Assessor**

The Cook County Assessor is an elected government official who is responsible for establishing fair and accurate property assessments. Valuation of the county's 1.8 million parcels of property is conducted for ad valorem tax purposes. Ad valorem means according to real estate value and refers to the amount of tax a property is required to pay based on its value.

To administer this task, the Assessor reassesses one-third of the properties located in the county each year. The Assessor alternates assessments among the northern suburbs, the southern suburbs and the City of Chicago. For example, a property reassessed in 2009 will be reassessed next in year 2012.

**The Assessor's Role In the Tax Cycle**

The Cook County Assessor places a value on close to 1.8 million parcels in Cook County.

**Triennial Reassessments**

Reassessment of property in Cook County is done within a triennial cycle, meaning it occurs every three years. The Cook County Assessor's Office alternates reassessments between the north and west suburbs, the south and west suburbs and the City of Chicago.

**Triennial Reassessment Cycle & Map**

**Valuation Through Multiple Regression**

To determine the property value of a single family home, the Assessor's Office uses a technique called multiple regression. This technique creates a type of sales comparison average, a mathematical relationship between the value of your house and those of your neighbors.

The key concern in property assessment is uniformity. The rule of uniformity requires that property be valued with property of like kind. The sales comparison average ensures that similar properties are therefore assessed similarly.

**Mapping the Townships**

An integral part of the assessment process is the collection of data regarding economic and neighborhood trends. One use of this data is to define neighborhoods which have similar housing types and sale prices.

These 'assessment neighborhoods' are mapped and assigned neighborhood codes, a necessary component of the multiple regression process.

In suburban townships or Chicago neighborhoods which will undergo triennial reassessments, the Assessor's Office staff meets with local elected officials, community leaders, real estate professionals and other citizens knowledgeable about real estate in the area. This helps to verify or correct assessment neighborhood boundaries before they are finalized.

Assessor Houlihan attends these meetings in order to understand what local citizens perceive to be the forces at work in their communities with regards to their property values.