



PRESIDENT'S MESSAGE

November 2026

I am pleased to draw your attention to a paper recently published by the London School of Economics and Political Science titled “Wealth and Property Taxation in the United States”.

The Abstract to this 71-page erudite academic research paper states:

“We study the history and geography of wealth accumulation in the United States using newly collected historical property tax records from the early 1800s onward. These records come from the administration of the General Property Tax - a tax that aspired to cover all types of property. We construct wealth series at the state, county, and national levels. At the state level, we use annual assessed values of wealth from state-level reports drawn from multiple sources. Because assessed values may differ from market values, we also require assessment ratios, defined as the ratio of assessed to market wealth. We obtain state-level assessment ratios from decadal U.S. Census wealth data (drawn from various census reports, including those on “Wealth, Debt, and Taxation”), in which the census carried out detailed valuation work, complemented with information on changes in assessment practices from the state reports, to build higher-frequency series of assessment ratios.

The result is long-run annual wealth series for states from 1850 (or earlier, depending on the state) to 1935. We obtain national wealth series by aggregating these state series. At the county level, we use assessed values (or market values where available) from the U.S. Census wealth data for each decade and apply either state-level or county-level assessment ratios, where available, to obtain market values of wealth for each decade from 1850 to 1930. We use these data to show, first, that the United States experienced extraordinary wealth accumulation after the Civil War and until the Great Depression. Second, spatial inequality in the United States has been large and highly persistent since the mid-1800s. We also examine the determinants of long-term wealth growth and find, among other results, that counties with a higher share of enslaved property before the Civil War or with higher wealth inequality experienced lower subsequent long-run wealth growth.”

The Introduction to the paper states:

“Since colonial times, local governments in the United States relied on various forms of property taxation to finance their activities. But unlike in most other countries and historical periods, these taxes applied to a broad set of assets - in principle, all property - rather than only land. After the 1840s, the basic principles became more uniform across states and the taxes more comprehensive. They came to be known as the General Property Tax.

From the 1840s to 1930, the General Property Tax was a core element of the U.S. fiscal system, providing a large share of state and local revenues. Property was assessed by local assessors who determined its value, with the tax base covering most forms of property. In practice, local and state taxes encompassed by this term had varying levels of coverage of different types of property, which are difficult to formally document, especially at the local level. Nevertheless, we argue that coverage was high, allowing us to capture most taxable wealth. Multiple layers of government - districts, municipalities, counties, and states - levied their own ad valorem taxes, typically applying the same rate to most property. After the 1930s, the role of the property tax declined as new forms of taxation replaced it. The tax evolved into the modern U.S. property tax, which applies only to certain types of real estate.

The administration of the General Property Tax generated detailed but disparate records over a long period. In this article, we make use of these valuable records that we collected and organized to create a new data set on U.S. wealth over the long run at the national, state, and county levels.

In our context, “wealth” means private, marketable, and taxable assets. Our definition excludes public assets (such as federal land) and assets of tax-exempt entities such as religious institutions and colleges. Marketable wealth refers to assets that can be bought and sold, excluding human capital, except under slavery. Wealth measures for this period are exceedingly rare, and producing them is our main contribution. Although some historical national wealth estimates exist, our data based on the General Property Tax provide a coherent, high-frequency, and long-run source. To our knowledge, no other data set offers similarly comprehensive and long-term subnational property measures.

We use our new data to answer the following core questions. First, how did aggregate wealth evolve in this crucial period of U.S. development? Second, how was property distributed across space, and how did spatial inequality change over time? Third, what factors shaped local capital accumulation and growth?

We provide a brief overview here, with extensive detail in Sections IV and V. The main challenge is that assessors often did not value property at its market price, and assessment practices varied across time and place.

We therefore need to adjust assessed values to obtain true market values. Such adjustment requires the assessment ratio, defined as the ratio of assessed wealth to market wealth. With both assessed wealth and assessment ratios, we can reconstruct the market value of wealth.

At the state level, we use a large set of detailed state reports, usually annual, to construct our assessed wealth series. These reports vary in format and naming across time and states, making their collection both valuable and challenging. To obtain assessment ratios, we start with U.S. Census wealth data, which provide decadal (and in some cases more frequent) data. The census conducted detailed valuation work to produce these ratios, as we describe in detail, by consulting professionals and experts and sending agents into the field. We supplement this with information from the state reports that document changes in assessment practices for additional years. Combining these sources allows us to build high-frequency series of assessment ratios. Applying these ratios to the assessed wealth series yields high-frequency (annual) market wealth series. We then construct national series by aggregating the state series.

At the county level, our main data source is U.S. Census wealth data, which provide decadal assessed values for most years and market values for some years. For our benchmark series, we correct county assessed values using state-level assessment ratios and construct alternative series for years when county-level ratios are available and show that our results are robust to different assumptions.

Our final series thus encompass (i) annual data for states from 1850 or earlier (depending on the state) to 1935, (ii) decadal data for counties between 1850 and 1930, and (iii) national-level data from the early 1800s to 1935. It is important to keep in mind that data before 1850 are scarce and less reliable, as we describe in the main text. Therefore, we provide the full data set for all available years but restrict our core analysis to the post-1850 period.”

Comment: The foregoing introductory extracts provide only a “taste” of what the full paper provides. The paper itself is available via the link below:

<https://researchonline.lse.ac.uk/id/eprint/138239/>

Time now to move on to IPTI matters. October involved a “blitz” of in-person events in various parts of Canada. The first of these was the Conference of Valuation Agencies (CoVA 2026) which was held in Ottawa. This two-day event, facilitated by IPTI, was very well attended by speakers and delegates from around the world. Part of the conference was devoted to panel sessions which looked at the research carried out in relation to Phase 2 of the International Collaboration Project. This research, undertaken by Focus Groups with members drawn from North America, Europe, Australasia and elsewhere, culminated in two White Papers that have been published on the IPRI website.

CoVA 2026 provided an opportunity for members of those Focus Groups to share some of their experience in carrying out the research and providing their reports. Phase 3 of the project was also announced at the conference. More information about the research topics for Phase 3 will be published shortly.

I am pleased to announce that, following discussions at CoVA 2026, the National Council for Real Estate Assessment (NCREA) in The Netherlands kindly agreed to join the International Collaboration Project Steering Group.

CoVA 2026 also enabled staff from the UK Valuation Office - who had been hosted by organisations in various countries around the world - to feed back on their experience. This “practical” exercise in international collaboration has encouraged other valuation agencies to get involved in similar externship exercises.

Following CoVA 2026, IPTI held a meeting of international colleagues at its head office in Toronto. This meeting looked at how the property tax system in Ontario compares with other selected jurisdictions around the world. The meeting drew upon material which will be published soon in the COST-IPTI International Property Tax Scorecard.

The next in-person event I attended was the IAAO’s 2026 Annual Conference which, this year, was held in Calgary. There was definitely a “cowboy feel” to this conference which was entirely appropriate as the event was being held in the home of the Calgary Stampede! As always, the four-day conference was a mix of interesting plenary sessions, informative education sessions, and a great social programme.

Towards the end of the month, IPTI held another webinar in its series delivered jointly with the Institute of Municipal Assessors. This IMA-IPTI webinar was titled “Income Approach - Challenges in Today’s Market” and our two experienced speakers provided the audience with lots of interesting information about how to deal with the issues that arise.

In relation to IPTI events, we have several in-person conferences coming up over the next two months. Full details about all these events, along with other webinars, workshops, etc., are available on our website: www.ipti.org.

Now it’s time for a quick look at what is making headlines concerning property taxes in selected jurisdictions and countries around the world. For more information, and links to the original news articles, please refer to IPTI Xtracts which can be found on our website: <https://www.ipti.org/ipti-xtracts>

Starting in Pakistan, the World Bank has recently called for property tax reforms. The Bank called for reforms to provincial property taxation through harmonised and more market-

based valuation frameworks, noting that both sectors remain significantly under-taxed despite their substantial contribution to the economy. The Bank stated that property taxation remains severely underutilised, generating only around 0.13 percent of GDP compared with 0.3 to 0.6 percent in many comparable economies.

Moving on to the USA, it is reported that state tangible personal property tax laws often discriminate against technology that is crucial to serve the demands of the information age, according to new research released by the National Taxpayers Union. The complex depreciation schedules required to value property are designed around manufacturing machinery that often performs at the same level after a decade or more of use. Applying the same standards to data centers can significantly overvalue equipment like computer servers, which are often obsolete after three years. “State taxation of tangible personal property is particularly harmful to capital-intensive businesses like data centers, and certain characteristics of data centers result in uniquely aggressive TPP tax burdens compared to other industries,” according to the paper written by a NTU Senior Fellow. “Policymakers should pursue a level playing field, ideally moving away from the outdated notion of taxing personal property, but at minimum avoiding policies that impose particularly heavy taxation on specific industries, like data centers.” For example, Florida’s tangible personal property tax laws value a three-year-old server at 56% of its original cost. Meanwhile, Indiana, Missouri, North Carolina, Oregon, and Washington classify a server at 40% of its original cost after three years, even though its market value is close to nothing. Tax burdens that value antiquated technology well above its actual market value lead to higher prices on consumers and businesses when they pay for technology services like hosting, according to the research.

Moving on to Canada, and Ontario in particular, there is continuing criticism of the provincial government’s decision to delay a reassessment of properties. A recent article states: “... municipal property reassessments have not been done in a decade. Having left the system on hold for so long, the government says, somewhat unconvincingly, that it is consulting on how best to resume normal assessments. Here’s some free advice: just do it. There’s no excuse for continuing to force some people to carry an undue share of the tax burden. The Globe and Mail has been running a series of articles and columns recently on how to overhaul the tax system to boost productivity, improve fairness across generations and encourage construction of rental homes. But the existing system also has to be run better. And the situation in Ontario is a good place to start. Property taxes in Ontario are determined based on two factors: the local tax rate, as set by local politicians, and the estimated value of the property. That value is determined by the Municipal Property Tax Assessment Corporation, which answers to the province. Until 2016, MPAC did reassessments every four years and phased in any changes in value over the ensuing four-year period.

However, the 2020 assessment was derailed by the COVID-19 pandemic. There has not been another one since, even though property values have changed a lot over those 10 years. The value of a property is used to determine how much tax it is levied because that value has been seen as a proxy for owner wealth. It's an imperfect rationale – other approaches could involve taxing property size, which affects the cost of providing municipal services, or taxing improvements to the land or property – but this is longstanding policy in Ontario.

It's important to note that a changed value assigned to a property by MPAC does not, in and of itself, lead to property tax increases or decreases. In Ontario, what matters is how its value changes compared to the average in that community. Properties that go up more than the average face higher taxes. Those that lag the average get tax cuts. The pie remains the same size, but its composition gets rebalanced. And therein lies the problem. The properties with above-average value increases since 2016 are not being charged the higher taxes they should be. These fortunate people are being subsidized by people whose properties had below-average appreciation.

This issue affects commercial properties as well. One commentator believes that many small main-street retailers are paying more than their share. At the same time, reassessments could hurt other small retailers, because zoning changes to what is allowed near transit, for example, could lead to higher tax bills. The situation is undoubtedly thorny. Ontarians who are reassessed and face spikes in their tax bill will not be happy. But these same people have been getting a break for years. And the money has to come from somewhere, so contriving some way to cushion them from any coming increase just perpetuates the unfairness of the current situation. There are no easy solutions, and the government is simply making the problem worse by letting it drag on year after year.” Comment: I entirely agree!

And finally, I have to confess to a conflict of interest. As a “Swiftie”, I think it is a bit unfair to refer to a “mansion tax” as a “Taylor Swift tax”. However, as the President of IPTI, I must maintain strict neutrality in respect of property tax issues! It is wearing my “neutral hat” that I report that, in Rhode Island, where the so-called Taylor Swift tax has been introduced for non-owner-occupied R.I. properties valued at over \$1 million, there have been predictable lawsuits launched over the introduction of the tax. The tax applies to all R.I. residential properties assessed at over \$1 million that are not occupied by their owner for 183 days of the year or more, according to the Rhode Island Division of Taxation website. Owners are taxed at a rate of \$2.50 for every \$500 of assessed value above the \$1 million threshold. Comment: It will be interesting to see how the lawsuits, which mostly claim that the new property tax is unconstitutional, progress.

Paul Sanderson JP LLB (Hons) FRICS FIRR
President, International Property Tax Institute