



Taxes, Public Finance and Spatial Development

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Abstract

Central and local government taxes are ubiquitous. They are likely to be a significant determinant of the nature of spatial development, impacting both the scale and form of a city. For instance, alternative taxes will affect the degree of urban intensification, with implications for sustainable development. Other aspects of public finance, including the nature of expenditures and methods of financing, are also likely to impact spatial development. However, spatial analysis often ignores the impact of taxes and other elements of public finance. This session will examine the impacts of various forms of local and central government taxes, and other aspects of public finance, on spatial development. Contributions will include the effects of different forms of property tax – e.g. land tax versus a capital tax (a tax on the total value of a property) – on spatial outcomes; impacts of property taxes on land prices and welfare; and the impacts of labour taxes on labour supply and spatial equilibrium in the context of a large infrastructure project.