

## **Taxpayers' League** <sup>[1]</sup>

### **Taxpayers' League**

by John L. Bell, 2006

See also: [North Carolina Tax Relief Association](#) <sup>[2]</sup>.

The Taxpayers' League was formed in [Buncombe County](#) <sup>[3]</sup> in early 1928 to promote fiscal responsibility and electoral reform in local government. The Buncombe County league was organized because a political ring had incurred excessive debt, leading to the highest local property tax rate in the state. [Asheville](#) <sup>[4]</sup> had built roads, buildings, parks, and reservoirs far beyond its needs. In fact, city government was in danger of insolvency. A [real estate](#) <sup>[5]</sup> boom had collapsed by 1928, leaving the [Central Bank and Trust Company](#) <sup>[6]</sup> holding much worthless real estate paper. In danger of failure, the bank persuaded the political ring to deposit \$4.6 million of Asheville's funds. The city had borrowed the money, enough to continue operations for two years. The Taxpayers' League discovered this scam but did not publicize it for fear it would produce a run on the bank, causing a bank failure and the loss of the city's money. When in late 1930 the bank failed anyway, the league turned its efforts to reforming city government and persuading the state to provide local government services in order to reduce property taxes.

By early 1930, 14 counties had similar taxpayer organizations, all striving for lower property taxes. Soon opponents of high property taxes saw the need for a statewide organization; subsequently, representatives from 46 counties formed the [North Carolina Tax Relief Association](#) <sup>[2]</sup>. Its main objective was to secure lower property taxes, but it also urged the state to assume control of local roads and schools and to pay for them with a sales tax. Taxpayer leagues like the one in Buncombe County thus led the property tax revolt that culminated with the state taking over roads, prisons, and schools and shifting part of the property tax burden to gas and sales taxes.

#### **Reference:**

John L. Bell Jr., *Hard Times: Beginnings of the Great Depression in North Carolina, 1929-1933*(1982).

#### **Additional Resources:**

"A Taxpayers League" *Burlington Daily Times*. February 12, 1930. p.11.

#### **Subjects:**

[Banks and banking](#) <sup>[7]</sup>

[Great Depression \(1929-1941\)](#) <sup>[8]</sup>

[Political movements and parties](#) <sup>[9]</sup>

[Politics and government](#) <sup>[10]</sup>

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#### **Origin - location:**

[Asheville](#) <sup>[12]</sup>

#### **From:**

[Encyclopedia of North Carolina, University of North Carolina Press.](#)<sup>[13]</sup>

1 January 2006 | Bell, John L., Jr.

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#### **Links**

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