

COMMISSION ON LOCAL TAX REFORM: PANEL DISCUSSION

Monday 15 June 2015 - Collecting and Administering Local Taxation

Scottish Assessors Association (SAA)

Introduction

The SAA is represented today by David C Thomson, BSs (Hons) MRICS, Assessor for Dunbartonshire and Argyll & Bute VJB.

The objects of the Association include the encouragement of the exchange of ideas regarding the statutory duties of Assessors; the promotion of consistency in the operation of the Council Tax legislation and to act as a consultative and advisory body.

Policy

The Scottish Assessors Association favours the retention of a property based system for the purposes of local taxation. We believe that there are a number of reasons why property forms a suitable basis and would refer to the Report by the Local Government Finance Review ("Burt") Committee (2006) which concludes that any local property tax should be based on capital values.

The SAA firmly believes, however, that the form and detail of such a tax are matters which are properly for policy makers and elected representatives. Based on its extensive experience of administering local taxes, however, the SAA is well placed to assist the Commission consider the various options.

The SAA is of the view that reliefs and exemptions distort the tax liabilities which would be arrived at purely on the relativities of analysis of the open market. We recognise, however, that they form an integral part of the current system and are likely to do so in any future regime, and take the view that the application of exemptions and/or reliefs are policy matters to be determined by legislators.

Format of Property Tax

Whilst the SAA favours a local property tax based on capital values, and sees value in amending the current system rather than making a more fundamental change, it is happy to explore and advise the Commission on the administrative issues around, and evidence to support, considerations of:-

- Capital values basis of rental values or land values
- Banded system of discrete valuations
- National bands/charges of local bands/charges
- Other matters under the Commission's consideration

It is the firm view of the SAA that regular revaluations should be a fundamental element of any property tax system. The requirement and cycle to revalue should be included in primary legislation.

Any revised or new system would benefit from a review of the interfaces between domestic and non-domestic property.

Administration of Property Tax

The SAA recognises three distinct phases in the administration of a property tax and, based on their experience, professionalism, local knowledge and support systems, believes that Assessors are well placed to complete these effectively and efficiently:-

1. Initial valuation/banding of properties (and any subsequent revaluations)
2. Dealing with enquiries and proposals in respect of published values and operation of an appeals system
3. Maintenance of valuations/bands/property attribute data in light of physical change.

It is likely that the Commission will wish to consider each of these components as being equally fundamental to an open and transparent tax system.