



THE COMMISSION ON LOCAL TAX REFORM

WHAT'S THE FUTURE OF LOCAL TAXATION IN SCOTLAND?

Tell us what you think

We are an independent Commission that brings together expertise and experience from across Scotland to look at ways of delivering a fairer system of local taxation in Scotland. The Commission is chaired by Marco Biagi MSP, Minister for Local Government and Community Empowerment, and Councillor David O'Neill, President of the Convention of Scottish Local Authorities. The Commission will present its findings in late 2015. You can find out more information about our membership and remit at www.localtaxcommission.scot

We want to begin our work by hearing your views and suggestions about what happens now, and what the future might be.

This call for evidence is only our first step in listening to you. Any information that you give us now will help start the debate, but we also want this to be an ongoing conversation. Over the next few months we will be setting up different ways in which you can meet us or tell us what you think. A good way to find out about these is by signing up to our newsletter by following @localtaxscot on Twitter.

How to Respond

We will use your information to develop our work, and so what you tell us is really important. For that reason, we want to hear from you by **22 JUNE 2015**, or sooner if you can. *However, let us know if you need more time.* Please also feel free to share any other information with us.



You can complete and return this form electronically to:
evidence@localtaxcommission.scot



You can also respond online via our website:
<http://localtaxcommission.scot/initial-call-for-evidence/>



Alternatively you can post a copy of this form to:

The Commission on Local Tax Reform
Verity House
19 Haymarket Yards
Edinburgh, EH12 5BH

If you are responding as an individual we would be grateful if you could also provide some other information at the end of this form. This will help us develop an overall picture of the information we have. This is optional and will be used anonymously and remain strictly confidential.

If you have any queries please contact info@localtaxcommission.scot or call us on 0131 474 9332.

RESPONDENT INFORMATION

To help us make the most of your response, please tell us about yourself and how you want us to use the information you provide. There are some questions marked * and these must be answered by all respondents, unless you are directed past this question.

* I am responding as:	<input checked="" type="checkbox"/> An individual
	<input type="checkbox"/> An organisation/group
Name of Organisation (if appropriate)	
Forename	Neil
Surname	Ross
Address	
Do you consider yourself or your organisation as from or representing?	
<input type="checkbox"/> a rural area	<input checked="" type="checkbox"/> an urban area
	<input type="checkbox"/> an area with both urban and rural parts
	<input type="checkbox"/> don't know / not applicable
Would you be happy to be approached by the Commission for further discussion about your submission?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If you are responding as an individual:	
* Do you agree to your response being made available to the public on the Commission's web site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
* If you have agreed to your response being made available to the public, please tell us if we may also make your name and address available. (Please select one option only)	
<input type="checkbox"/>	Yes, make my response, name and address all available
<input type="checkbox"/>	Yes, make my response available, but not my name and address
<input checked="" type="checkbox"/>	Yes, make my response and name available, but not my address
<i>If you are responding as an individual we would be grateful if you could provide some additional information at the end of this form. This is absolutely optional but will help us get an overall picture of the information we receive.</i>	
If you are responding as a group or organisation:	
* The name and address of your organisation will be made public on the Commission's web site. Are you content for your response to also be made available?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Which of the following best describes your organisation? (Please select one option only)	
<input type="checkbox"/>	Community Group
<input type="checkbox"/>	Local Authority
<input type="checkbox"/>	Other public sector organisation
<input type="checkbox"/>	Third Sector organisation
<input type="checkbox"/>	Professional body
<input type="checkbox"/>	A business
<input type="checkbox"/>	A government department or agency
<input type="checkbox"/>	A social enterprise
<input type="checkbox"/>	Other (please specify)
Short description of the main purpose of your organisation:	

Tell us what you think

We have not provided a long list of questions, but we do want to hear what you have to say about some themes. Please respond to as few or as many as you wish. If you would prefer to send us other information, please feel free to do so. However, it would be helpful to keep your response to no more than eight pages.

If you are able to, please provide evidence or examples in support of what you say. This will help us explore your ideas further.

1. SCOTLAND'S CURRENT SYSTEM OF COUNCIL TAX

To what extent does the current system of council tax deliver a fair and effective system of local taxation in Scotland? Are there any features of the current system that you wish to see retained or changed?

You may wish to illustrate your answer with examples from your own experience.

The current system of council tax is unfair and ineffective for the following reasons.

- 1. Given the increase in house values since 1993, many more houses fall into the top band H now than did at the outset. Consequently, the number of value bands should be increased to take account of the increase in house values.*
- 2. As a result of the self interest and short term view taken by politicians, there has not been a re-valuation of property with a re-assessment of which band each property falls into. This is long overdue.*
- 3. Council tax discourages home improvement where the value of the improved property might result in an increase in tax.*
- 4. As a property tax, Council tax fails to encourage the productive and efficient use of land.*
- 5. For the first two reasons given above, council tax fails to capture any recovery via tax revenues from the increase in land values as a direct result of public expenditure on infrastructure and facilities.*
- 6. Control of the level at which council tax is charged should be exercised by the local authority and not by the Scottish Government.*

2. REFORM OF LOCAL TAXATION

Are there alternatives to the current system of council tax that you think would help to reform local taxation in Scotland? What are the main features of these, and why do you think they would deliver improvement?

Do you have any examples of why this is the case?

In my opinion council tax (and business rates) should be replaced by a land value tax (LVT) for four main reasons:

- 1. An annual LVT could generate a stable source of income from a widely spread local tax base of both private individuals, occupying land in residential use, and business owners, occupying land for business purposes and all of whom benefit from the provision of local public services.*
- 2. The amenity value of land is directly affected by the infrastructure and facilities in local proximity to it. The annual taxation of land values would introduce into the tax system the recognition of increases in land values as a direct result of public expenditure on local infrastructure and facilities and recover for the public purse a measure of that increased value to help defray the costs incurred.*
- 3. An annual LVT would stimulate the productive use of vacant land by encouraging its development either for business activities by the owner or by prompting the disposal of the land to another more efficient user.*
- 4. An annual LVT would remove the current disincentive to the improvement of residential or business property, where that improvement would result in an increase in council tax or business rates because of an increase the property value.*

I recognise that an annual LVT would require:

- 1. a complete record of the ownership of all land in Scotland. There may be a delay in the implementation of an annual LVT to allow any currently unregistered land to be registered with RoS.*

2. a Valuation system, with the right to appeal, to determine the value of land. Land should be subject to re-valuation at a regular, pre-determined intervals.

3. LOCAL PRIORITIES

How well do you think that communities' local priorities are accounted for in the way that local taxation operates at the moment? If there is room for improvement, how should things change?

Do you have any ideas or examples about how this could improve people's lives?

Local priorities are being ignored as control of the level at which council tax is charged has been taken away from local authorities and is exercised by the Scottish Government. This should change so that council tax is set by local councils according to their local priorities.

4. FURTHER INFORMATION

We would like to keep the conversation going. Please tell us about any events, networks or other ways in which we could help achieve this.

Please provide your response here

Thank you for your submission. If you have any queries about the Call for Evidence please contact us at:

Commission on Local Tax Reform
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19 Haymarket Yards
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0131 474 9200
email: info@localtaxcommission.scot
twitter: [@localtaxscot](https://twitter.com/localtaxscot)

