



# 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.loctaxcommision.scot](http://www.loctaxcommision.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 @loctaxscot 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@loctaxcommission.scot](mailto:evidence@loctaxcommission.scot)



You can also respond online via our website:  
<http://loctaxcommission.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@loctaxcommission.scot](mailto:info@loctaxcommission.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	Paul		
Surname	Millar		
Address			
Postcode			
Telephone			
Email			
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	
<b>If you are responding as an individual:</b>			
* 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>			
<b>If you are responding as a group or organisation:</b>			
* 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"/> A business		
<input type="checkbox"/> Local Authority	<input type="checkbox"/> A government department or agency		
<input type="checkbox"/> Other public sector organisation	<input type="checkbox"/> A social enterprise		
<input type="checkbox"/> Third Sector organisation	<input type="checkbox"/> Other (please specify)		
<input type="checkbox"/> Professional body			
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.*

*It's advantage is that it exists and works well enough. It is fairly crude and unresponsive to personal circumstances outside the existing benefit system.*

*Disadvantages are that it is a tax on home improvement where VAT is already attached, so represents a double taxation on property improvement. This can be a disincentive to keep property well managed and improved. It contains elements of the old window tax in that it provides an incentive to keep property values low through reduced quality. Lack of revaluations lessens its progressive elements and revaluation is inordinately expensive. As a direct descendant of a feudal property tax it's time is over and should be replaced by a more sensitive personal local taxation linked to ability to pay.*

### 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?*

*My preference is for a local income tax to support local government. Water services should, like Fire and Police, be combined with central government taxation and standardised across the nation.*

*What I would love to see is some ability to emphasise just where my local AND central tax should be going, by having at least some choice over its destination. There is a tradition of a big pot approach to taxation which has advantages to a treasury but which gives no opportunity for taxpayers to express some choice. Why not have a proportion of nominated destinations of tax revenue or capital spend for, say, 10% of local taxation to specific general areas, such as education, or the NHS, or potholes (roads maintenance) which can be altered at will by individuals from one taxation period to the next?*

*I can see finance people looking pale at such a thought as it would impact on financial planning, but it would encourage the idea that taxation is giving to good causes (better roads, schools, hospitals, drains, etc) and it would encourage government to lobby its taxpayers to nominate areas of special need, such as mental health, carers support or refugee care, that are not so attractive as the big headline needs. 90% of taxation would still be in the general pot, to give continuity to planning for resources and grants. To reduce the impact of the change, it could be phased in over time to allow for security of financial planning.*

*Benefits of 10% tax nomination to the government would be fostering a direct link between the taxed and the benefits we gain from pooling our taxation. It would foster the understanding that taxes are a good idea and a benefit we can give to*

*the common weal, rather than something to be avoided for understandably positive selfish reasons. (Nothing wrong with positive selfishness – taking care of our own needs and interests – so long as it retains a common weal contribution too!). It would also reinforce the bonds between government and the people, by very clearly expressing a public mood to support a government expressed need and to act as a public vote for local spending priorities.*

*So please give some consideration to involving every one of us in the nomination of the destination of a small proportion of our taxes to educate everyone that taxes are our common pot for everyone's benefit. Also please note that giving a destination choice for local taxes allows a smidgeon of control over where our money goes – and encourages our giving of taxes rather than using financial measures to opt out. As examples, a 10% destination nomination would allow some people to opt out of military spending for religious or ethical reasons while the majority might want to give a boost to coastal defence if the government specially asks for a boost in that direction.*

*All this is only possible with good computer systems and good taxpayer-government communication. Both seem very achievable today, thank goodness. Nomination of destination of taxes could be a useful and beneficial governmental tool, it keeps a measure of localism of spending choice and the benefit of some control over local priorities (potholes repair priority for Banff or special school priority for Glasgow south, as examples of what might occur).*

### **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?*

*Not recognised in any meaningful way at present. My suggestion for an individual taxpayer's 10% (or other appropriate meaningful proportion) of nominated destination of taxes would provide a genuine and current means of accounting for 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.**

*Your approach caught my eye immediately, so thanks for that. Keeping in the press and encouraging positive critiques should help. Throwing the ideas open to public scrutiny via inviting personal communications like this should give you useful contributions. Going on Twitter may become politically necessary but will almost certainly be a bed of nails for you as it attracts so much negative and destructive responses. Don't subject your staff to that if at all possible!*

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

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Verity House  
19 Haymarket Yards  
Edinburgh EH12 5BH  
0131 474 9200  
email: [info@localtaxcommission.scot](mailto:info@localtaxcommission.scot)  
twitter: @localtaxscot