



# The SNP's Broken Promises on Council tax



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### What the SNP promised on Council Tax



### SNP 2007 Scottish Parliament Manifesto:

*"Local taxes can be fairer. The SNP will scrap the Council Tax and introduce a fairer system based on ability to pay. Families and individuals on low and middle incomes will on average be between £260 and £350 a year better off. Nine out of ten pensioners will pay less local tax."*

### SNP 2011 Scottish Parliament Manifesto:

*"Over the period of the next Parliament we will consult with others to produce a fairer system based on ability to pay to replace the Council Tax and we will put this to the people at the next election, by which time Scotland will have more powers over income tax."*

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### **What Nicola Sturgeon used to say about Council Tax:**

*"Labour's hated Council Tax is totally unfair, and any tinkering with bands would not make the system any fairer..."* Nicola Sturgeon 10<sup>th</sup> April 2007.

*"It's time to scrap the Council Tax."* Nicola Sturgeon, 11<sup>th</sup> April 2007.

*"The fact of the matter is that Council Tax is unfair and cannot be improved by tinkering around the edges."* Nicola Sturgeon, 2<sup>nd</sup> October, 2010.

*"Compared to what the SNP are pledging, Labour's tinkering is not good enough. It is too little and too late and will not make the unfair Council Tax any fairer for hard-working families."* Nicola Sturgeon, 8<sup>th</sup> April, 2007.

*"We'll get rid, once and for all, of the unfair council tax."* Nicola Sturgeon, 24<sup>th</sup> August, 2009.

*"Labour and the Tories are stuck in the past. They cling to the discredited Council Tax."* Nicola Sturgeon, 14<sup>th</sup> October, 2006.

### **What John Swinney used to say about Council Tax:**

*"The council tax is unfair, regressive and penalises people on low incomes."* John Swinney, 11<sup>th</sup> March, 2008.

*"Everyone knows the current Council Tax system is unfair and punitive."* John Swinney, 14<sup>th</sup> March, 2007.

*"The council tax has to go."* John Swinney, 24<sup>th</sup> November 2008.

*"the discredited council tax"* John Swinney, 6<sup>th</sup> May 2008.

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## Scottish Labour would abolish the Council Tax

- Scottish Labour's manifesto for the 2016 Scottish Parliament elections committed to abolish the discredited, unfair Council Tax once and for all.
- We support the introduction of a fairer system - based on the value of a property - so that nearly 2 million households (80% of the total) will be better off.
- Our proposals would broaden the tax base and empower local government by devolving new tax raising powers including a tourist tax, land value tax and surplus from the Crown Estate.

## Scottish Labour's calculations

Labour's calculations are based on the modelled evidence, provided to the Commission on Local Tax Reform which the SNP set up and all four parties are relying on.

What our calculations show is that nearly 2 million households could be better off under this fairer system.

Scottish Labour's system will reflect our changed housing market. It will realign the taxation paid towards local services with house prices, give a tax cut to millions, and will ensure that the richest pay their fair share for local services.

## More powers for local government: Tourism Tax

We would legislate to give local authorities the power to charge a Tourist Tax. This is devolution of power to local authorities, allowing them to raise revenue from untapped streams.

This power allows local authorities to ensure that everyone who uses local services, facilities and infrastructure, can make their contribution to keep maintain facilities.

A Tourism Tax could broaden the tax base for local government and was supported by the Commission as a means to devolve revenue raising powers to local council chambers as part of a package of local taxation reform.

## Councils calling for the powers include:

**Edinburgh:** [this was a key capital coalition pledge, backed by the SNP; it has been discussed since 2012; it is now considered a key potential mechanism to continue to fund festivals & events; and is backed by festivals groups.](#)

**Aberdeen, Glasgow, South Lanarkshire and Renfrewshire:** [called for it earlier this week.](#)

**Highland:** [since 2014, Highland has considered a £1 per room per night charge to balance its books; a move backed by the local SNP group;](#)

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### What the experts say

#### [Eisenstadt: Be bold on local taxation](#)



*“The SNP Government has been signalling changes to the council tax since its first term in office... The Scottish Government's recent Draft Budget proposed continuing with the freeze for 2016/17, but there is a real opportunity in the next parliamentary term, because of last month's report by the Commission on Local Tax Reform, to do things differently.”*

*“The council tax is widely viewed as no longer fit for purpose. I do not have a clearly worked out position on what the new system should look like. But I do recognise that this is a central moment of political decision, an opportunity to introduce a much more progressive system, one that will have important implications, particularly for working households at or just above the poverty line.”*

*“Local tax reform is a real opportunity to protect the incomes of both the working poor and those at risk of in-work poverty. But it will require boldness and vision.”*

#### **The Scottish Parliament Information Centre:**

*“...while the Government's proposals make the Council Tax more proportionate than the present system, they fall short of making the Council Tax a “proportionate” tax. Therefore, if the reformed Council Tax is not “progressive”, or even “proportionate”, then even if the proposed changes make it less regressive, then it would still be termed “regressive” using this methodology.”*

**Source:** [http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB\\_16-28\\_Scottish\\_Government\\_proposals\\_for\\_Council\\_Tax\\_reform.pdf](http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB_16-28_Scottish_Government_proposals_for_Council_Tax_reform.pdf)

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### **Professor David Bell, University of Stirling:**

*“The Scottish Government proposals for changes to Council Tax do not significantly address the concerns with Scotland’s local property taxes raised by the Commission on Local Tax Reform.”*

### **Evidence to the Local Government and Communities Committee (Sept 2016):**

#### **Professor Kenneth Gibb, Policy Scotland:**

*“It is hard not to see this as political fudge which does not resolve the underlying problems indicated above.”*

### **Evidence to the Local Government Communities Committee (Sept 2016):**

#### **The Commission on Local Tax Reform**

The very first recommendation made by The Scottish Government’s own Commission, stated simply [“the present Council Tax system must end”](#).

It made clear that “The predominant view of the Commission is that any reform of local tax has to continue to include recurrent tax on domestic property”.

It devised two solutions “a reformed, proportionate Council Tax and a progressive tax on capital values”. SPICe confirm: [“while the Government’s proposals make the Council Tax more proportionate than the present system, they fall short of making the Council Tax a “proportionate” tax. Therefore, if the reformed Council Tax is not “progressive”, or even “proportionate” ... it would still be termed “regressive” using this methodology”](#).