

SAACT Newsletter

Issue 6

June 2007

Holyrood Majority Now Against Council Tax

Scottish Action Against Council Tax is a non party-political pressure group dedicated to the abolition of the present system of Council Tax.

SAACT, while autonomous, has historical links with, and corresponding aims to, the Isitfair group in England and Wales. i.e. Scrap this tax in favour of a fair system.

We believe that the Council Tax is grossly unfair. We contend that the whole basis of this regressive tax is flawed and therefore no amount of tinkering with the system, aimed at giving it a veneer of fairness for short term political gain, can be justified.

Where Are We Now?

Now that the new Scottish Parliament has been elected and a new First Minister and Scottish Executive established, we look forward to seeing various manifesto promises being kept. One such promise, of course, which was prominent in various party manifestos including that of the Scottish Nationalist Party, Scottish Liberal Democrat Party and Scottish Green Party, is the scrapping of Council Tax.

Please read website page: "How You Can Help"

Message to MSPs of all Parties.

Consensus government, the essence of which is cooperation between parties for the benefit of the Scottish people, is surely what the Scottish Parliament is supposed to be about. We believe that the SAACT five necessary principles for a fair local tax could and should be adopted as guidance by all MSPs.

1. **Council Tax should be scrapped in favour of a fair system.**
2. **The replacement tax must not be based on domestic property value, but should be levied on all residents.**
3. **The replacement tax must be based on ability to pay and should contain no regressive elements.**

4. **The replacement tax must not disadvantage those whose circumstances are such that they would qualify for Council Tax Benefit under the present system**
5. **The replacement tax should avoid the necessity for means-tested benefits.**

Since there is now a majority in Holyrood against Council Tax, there is no good reason why compromise cannot be reached, given goodwill from MSPs.

The only possible obstacle to this would be narrow minded political dogma and posturing and we have a right to expect that our MSPs be mature enough to be above such puerile attitudes. After all, MSPs have just been reminded that they are appointed to serve the interests of the electorate who, on numerous occasions including the recent May elections, have clearly shown their discontent with the grossly unfair Council Tax. Surely even the New Labour and Conservative Parties must realise by now that their support for Council Tax has cost them many votes.

Some form of Local Income Tax (LIT) would appear to be the most favoured option for the replacement tax, and it is certainly possible to frame such a tax regime in a variety of ways such that all of our fundamental criteria for fairness are met.

We urge MSPs, for the sake of the many Scots for whom Council Tax is a major source of financial hardship, debt and deprivation, not to lose focus on the main objective of getting rid of this hated tax. The sooner consensus is reached, the sooner the electorate can reap the benefit of the change.

We do realise that there remain some with another agenda who will continue to put forward the specious argument that there are those who will lose under LIT. This, despite the fact that those who may lose are now, under Council Tax, being subsidised by the bleeding of those with fixed and low incomes who are charged up to 20% of their income.

Comparison of Local Taxation Using Various Fairness Criteria.

	Domestic Rates.	Community Charge (Poll Tax)	Council Tax	Local Income Tax Using National Income Tax Thresholds
Is Tax Liability Related To Assessed Value of Home?	Yes	No	Yes	No
Is Tax Related To Ability To Pay From Income?	No	No	No	Yes
Are All Adults Who Use Council Services Liable To Pay?	No	Yes	No	Yes *
Is Tax Regressive?	Yes	Yes	Yes	No**
Is Tax Relief For Low Income Adults Dependent On Means Testing?	Yes	Yes	Yes	No***

* Subject to an income level above national income tax personal allowance threshold or other higher pre-determined income threshold.

** Provided local tax rate does not decrease as income increases.

*** Other than income level which is already assessed for all as part of national income tax liability.

Scottish Parliament After May 3rd Elections

The Scottish Parliamentary election on 3rd May 2007 resulted in the following number of seats for each party: Scottish National Party 47, Scottish Liberal Democrats 16, Scottish Green Party 2, Independent 1, Scottish New Labour Party 46, Scottish Conservative and Unionist Party 17. The SNP has formed a Minority government. That should mean that business is considered on an issue-by-issue basis.

The SNP, Lib Dems, Greens and the Independent are opposed to Council Tax. Collectively they have 66 seats - a majority in the 129-seat parliament.

Membership of SAACT

We hope you have found this issue of SAACT Newsletter both interesting and thought provoking. If so, please pass it on to your friends and consider joining our mailing list or even taking a more active part in our campaign. Send your e-mail and/or postal address to the Secretary to receive future issues.

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Visit the SAACT Website.

SAACT has established a new website, located at:
www.saact.org.uk