

SAACT Newsletter

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www.sact.org.uk

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When Will They Ever Learn?

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.

When Will They Ever Learn?

All three candidates for the leadership of the Labour group in the Scottish Parliament claim that they intend significant change to the local property tax system; perhaps they even want a name change. After all, "Domestic Rates" and "Council Tax" have been tried with no success. Maybe they could try "Voter Bribery Tax" (in line with the Conservative proposed concessions to pensioners, but none to the lower paid) or "Must Maintain The Income Gap Tax" or perhaps "Why Bother with Social Justice Tax".

When will they ever learn that, for a continuing, compulsorily imposed tax to be fair, it must be affordable out of income, and the notional value of a home is no valid proxy for income or for council tax affordability. Nor is the notional value of a home in any valid way related to the cost of the services for which local taxation is intended to pay. People use these services: houses do not.

Nevertheless, for MSPs of both Labour and Conservative Parties to publicly recognise the unfairness of council tax is, we suppose, a step in the right direction. Perhaps the ignominious defeat of Labour in the recent Glasgow East By-Election has concentrated minds. However, we fear this reluctant recognition is essentially a cynical attempt to regain votes, since so far they stubbornly refuse (probably due to pressure from Westminster in the case of Labour) to recognise that ability to pay should be the main criterion for a revamped local tax.

A Tale of Two Parliaments.

As we all know, MSPs, unlike their counterparts in the Westminster Parliament, are returned to Holyrood by a proportional representation voting system. Unfortunately, it would seem that many people, including many MSPs, are under the impression that this should be the only significant difference in the operation of each Parliament.

Opposition MSPs are there primarily to help to provide checks and balances to Executive policy. But we see no long term continuing place in Holyrood for MSPs who practise opposition for opposition's sake, instead of being willing to cooperate constructively for the benefit of the Scottish people. We particularly deplore and despise the attempted spreading of "Fear, Uncertainty and Doubt" which clearly is regarded as a legitimate tactic by some less able and morally bereft politicians of both parliaments. The voters of Scotland now increasingly recognise such tactics for what they really are and will make the appropriate response. Our Newsletter Issue 8 included an exposé of an instance of such a tactic applied to Local Income Tax proposals.

A widely promoted example of this kind of sleazy misinformation is the statement that LIT would greatly increase our tax burden and we have even heard it said that its application would render Scots the highest taxed people in the United Kingdom. This, of course, is utter nonsense as the method of taxation bears no relation to the budgetary requirements of local authorities. What is true, is that LIT would, if properly applied, result in a vastly fairer distribution of the tax burden among Scots, since it would be non-regressive and thus would reflect ability to pay.

However, the threatened illogical and vindictive withdrawal from Scotland of the equivalent of council tax benefit by the Westminster Labour Government could result in taxation in Scotland being higher than that for other parts of the UK. In this event, the Westminster Government would be the culprit in imposing the higher taxation and consequently would be most likely to reap a bitter harvest indeed.

It is also noted that some politicians, who obviously have no substantive arguments to offer against the principle of LIT, resort to semantic arguments concerning the word “local”. Well, as far as we understand, Local Income Tax, whether locally or nationally set, will be used for that part of **local government** expenditure which is not covered by block grant from Westminster or by other means. Also, **local democracy** is determined at the ballot box and, as such, is equally as valid as national democracy.

Test for a Fair System of Local Taxation.

No apology is made here for reminding readers of our set of fundamental principles which we believe, **taken together**, should be adopted as the criteria on which the fairness of a local tax system should be judged. These are:-

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.

This leads to our fairness equation for local taxation:-

Criteria(1.+ 2.+ 3.+ 4.+ 5.) = Maximum Fairness

While we are perfectly willing to be persuaded otherwise by cogent argument, we submit that some form of non-regressive LIT is the only means by which our fairness equation can be balanced.

The New Parliamentary Session.

With the Scottish Parliament soon to reconvene after the summer recess and with the prospect of new leadership for the Scottish Liberal Democrats and for the Labour group, the opportunity is surely there for a fresh, positive and constructive parliamentary session.

We make an appeal to MSPs of all political groups to demonstrate, by example, how real grown-up politics should be conducted i.e. for the genuine benefit of the people of Scotland and not for childish political point scoring. Be your own person and ditch the archaic adage “My Party Right Or Wrong”, which engenders attitudes that have no rightful place in our Scottish Parliament.

Where Are We Now?

The analysis of the public consultation entitled “A Fairer Local Tax for Scotland” is now awaited with much interest.

While a radical change in local taxation such as that proposed (from council tax to LIT) will not be without some problems, the only real difficulty would be a lack of political will for the implementation of this much needed social reform.

For our submission to the Scottish Government public consultation see the links on our website:

www.saaact.org.uk

Membership of SAACT

We hope you have found this issue of the 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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