Local Government and Communities Committee

Consideration of the Council Tax (Substitution of Proportion) (Scotland) Order 2016

Submission from Alastair Murdoch

I am bitterly disappointed to learn that the existing Council Tax is to be retained, albeit with minor modifications to bands E to H.

1. Unfairness of Council Tax as it bears No Relation to Ability to Pay

It is now being claimed that the new proposal is fairer. However, this is completely contrary to the fact that over the past decade the SNP government has continually reminded us that the “hated, unfair council tax” must be abolished.

2. Tinkering with the Existing Council Tax

They are also on record as stating on many occasions that “the Council Tax is unfair and cannot be improved by tinkering around the edges”.

But by modifying bands E to H, slightly, this is exactly what is now being proposed!

Tinkering with the existing Council Tax can never make it fairer. Research carried out by Stirling University for the Burt Report (page 132) came to this conclusion in 2006. The research concluded that introducing additional tax bands had virtually no effect on the burden of Council Tax. They also investigated the effect of increasing the existing multiplier of 3. Again, they concluded that any banded system could not be improved sufficiently to overcome the inherent shortcomings of the current Council Tax. (Burt Report p.137)

3. Proposed Tax Still Highly Regressive

The multiplier (or the ratio of the band H charge to band A charge) has only changed from 3 : 1 to 3.67 : 1, despite the fact that some homes are worth more than 15 times that of average band A homes. So it still remains a highly regressive tax.

4. Recommendations of Commission on Local Tax Reform Largely Ignored

The spirit of the Commission’s report has not been respected while the following conclusions have been completely ignored or rejected:

13.1. The present Council Tax system must end.
13.14. The predominant view of the Commission is that Local Government’s tax base should, if it could be proved feasible, be broadened to include income.

13.19. This is an opportunity that must not be missed.

5. **Council Tax is an Inefficient Tax**

5.1. **High Cost of Collection**

Council Tax is 3.5 times more expensive to collect than a local income tax.


5.2. **Difficulty in Collection**

Council Tax is difficult to collect and, surprisingly, easy to evade.

Witness the latest news that more than £1000 million is still owed in unpaid council tax to local councils since 1993. (Source: The National - 9 September 2016)

6. **Only Householders are levied with Council Tax**

Despite local services being used by all, only householders (about 50% of the adult population) are required to pay council tax.

7. **Finally**, it is despicable that the proposed package amounts to a distinct U-turn in policy which has led to us being conned over the past decade. Clearly, the SNP government changed its mind on Local Income Tax but has not had the decency or courtesy to explain the reason for the complete change in policy.

Alastair Murdoch