Sirs

I submit below my reply to the invitation to comment on proposed changes to the present system of Council Tax.

I do not support the principles of the Government's plans to reform Council Tax. Council Tax is unfair. It is based on the size of my house with no account taken of my income.

The Government's proposed reforms do not make the system of Council Tax any fairer. Taxation in the present day should be based on income, not on the size of property. A large house is often the requirement of a large family and a consequent reduction in the size of disposable income.

Government changes to any taxes are frequently the source of confusion, complications and general failure to achieve the desired aims. Attempts to improve the system of Council Tax will, almost by default, have unplanned and undesirable results. By contrast, adding on a few pence to the rates of income tax, with no change in the existing calculations, should be relatively uncomplicated.

Let me give an example of the failure of the present system based on my own experience. Many years ago I lived with my wife and three young children in a household where I was the one and only source of income. Of all our expenditure, one of the most burdensome was the annual demand for money from our local council. Across the road there lived a married couple with three employed sons. I don't know how they arranged their affairs but there were four sources of income and five adult users of 'services' provided by the council - but their rates bill was the same as mine. It didn't strike me as particularly fair.

Then came the poll tax. The great advantage of this was that every adult in the house paid his share and since there were only two of us, the cost to my wife and myself dropped considerably. So far as I was concerned, the poll tax was the finest thing since sliced bread. The regulations governing the collection of the tax were outrageously complicated and could certainly, with advantage, have been greatly simplified, but the basic principle was good - every adult was charged his share.
This simple concept was widely attacked, mainly, it seemed to me, by those, like my three neighbourly brothers, who for the first time in their life were being asked to pay their way. And I suspect that many of the protests since have been made by politicians and others like them who were not personally inconvenienced by the change, but jumped on the popular cry as a convenient, if dishonourable, way of picking up some votes.

But even the poll tax, welcome though it was, did not address the main problem. I pay income tax. The amount I pay is roughly compatible with my income. More importantly, the higher the demand, the higher is the income from which the tax must be met. I am now a pensioner with an income decreased from that enjoyed during my working life. My house generates no income. All demands from the local council must be met from my pension, that is, in addition to the income tax already paid. This is the basic flaw in all property taxes, be they demanded as a personal poll tax or from an imaginary value placed on my property by some fellow who didn't even come to see the house.

The golden rule should be that tax is levied only where there is corresponding cash income to meet it. There was a suggestion in your letter pages some years ago that the demands of the council should be met by property owners sending them a number of bricks from the most convenient wall of the house. It was, of course, facetious, but it made the point - taxpayers should pay tax from the income accruing from the asset being taxed. That would immediately rule out domestic rates on owner-occupied property. My house is a cost to me, not a source of income.

If we must have local taxation, it should be based on the same principle as national taxation. Tax me, and everybody else, on my monetary income and forget any notional, imaginary, non-existent income from the occupation of my house.

G. A. Sinclair