

Scottish Government submission of 23 May 2023

PE2026/A: Eliminate Council Tax discounts for second homes and vacant properties

The Scottish Government is grateful for the opportunity to contribute towards the Committee's consideration of this petition.

The petition is extremely timely as, last month, the Scottish Government launched a joint public consultation with COSLA on the Council Tax treatment of second homes and empty properties. The consultation, along with supporting documents, are available at [Scottish Government - Citizen Space \(consult.gov.scot\)](https://consult.gov.scot). They set out the wider policy context and the Scottish Government's objectives, most notably in relation to the availability of housing.

We are keen to hear views from as many people as possible across Scotland, and the Committee may wish to encourage the petitioner to respond. All responses will be collated and analysed to inform future policy in this area. Responses can be submitted using the Scottish Government's consultation hub, Citizen Space, at <http://consult.gov.scot>. The consultation closes on 11 July 2023.

We also note that the petition references collection rates. The legislative framework for Council Tax is a matter for the Scottish Government and Scottish Parliament. However, Council Tax is a local tax, and each council is financially and administratively accountable to their electorate. Council Tax revenues are retained locally and will contribute around £2.9bn towards the funding of local public services in 2023-24.

Turning to the future, Scottish Ministers have convened the Joint Working Group on Sources of Local Government Funding and Council Tax Reform, which is co-chaired by Scottish Ministers and COSLA and provides a space for joint dialogue on a range of issues relating to sources of local government funding and Council Tax. It is considering targeted changes to Council Tax to reflect the current circumstances created by the cost crisis, which includes the current joint consultation seeking views on the tax treatment of second homes and long-term empty properties. The group will also consider approaches to longer term reform, including using deliberative engagement to capture the

perspectives of citizens and taxpayers towards potential alternative approaches.

Local Government and Analytical Services Division