Scotland – the Commission on Local Tax Reform

Management of taxes | Technical

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The CIOT and LITRG attended a meeting with the secretariat of the Commission on Local Tax Reform in April. The commission has been established by the Scottish government with the remit of identifying and examining alternatives that would deliver a fairer system of local taxation – they are only considering council tax reforms or alternatives, not non-domestic rates. The meeting was an initial, informal scoping meeting – the aim is to have further engagement over the next few months.

The background to the commission is that there have been various reviews in the past, such as the Burt Committee, as well as a consultation in 2008 on the possibility of replacing council tax with a local income tax (to which both LITRG and CIOT responded), but that nothing has come out of them. The creation of the commission fulfils the SNP's manifesto commitment, and has buy-in from all the main Scottish parties, other than the Conservatives. As a cross-party commission, there is hope it will succeed. The remit does not extend to making any particular recommendations – instead, the expected outcome is an evidence-based report, examining the various alternatives identified against different criteria.

The Commission anticipates launching a consultation document, an online questionnaire aimed at the general public and discussion groups throughout Scotland, as a means of learning the views of people in Scotland. LITRG and the CIOT will be involved in discussions and contribute views.

The Commission will consider a wide range of alternatives, including (but not restricted to) reforms to council tax, a local income tax, a land value tax and hybrid tax systems.

The Commission has a website on which they publish details of their meetings and third party submissions.

If you have any comments or would like to be involved in further engagement, please get in touch by emailing me.