

## **Sunak handouts highlight the case for land value tax**

*Carol Wilcox Secretary, Labour Land Campaign, 4<sup>th</sup> June 2022*

I am sure that pensioner Richard Caring (“Ivy owner told to remove mansion windows”, Report, May 28) will be grateful for Rishi Sunak’s £500 help with the heating bill for his mansion in Kensington. Will he be entitled to more than one £400 household discount? As a billionaire I imagine he owns more than one home.

The tenant of a bedsit in Weymouth, in contrast, may get just £400 relief, but then his council tax bill is £1,277.16 less than Caring’s.

It may seem strange to outsiders that in Great Britain those who don’t own property pay a property tax. In fact our only annual property tax is levied on homes owned by companies.

Council tax is, just like its unpopular predecessor the “poll tax”, a charge to residents for services provided by local authorities. As there have been no revaluations in England and Scotland since its introduction in 1993, any improvement in services affecting a small locality will not be reflected in a higher council tax bill. But it will increase local house prices and rents.

Commercial properties subject to business rates are reassessed at five yearly intervals, given the odd extension to seven years, so local improvements will eventually lead to higher “rateable values” and higher bills for occupiers — commonly tenants — whose landlords will also increase the rents if the market will bear it.

It is time for land value tax to replace council tax, business rates and all property taxes in order to fix the dysfunctional land market.

It may even help Caring’s businesses.

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