
Councils support local income tax

Posted by darkside - 2008/06/27 20:37

<http://news.bbc.co.uk/1/hi/scotland/7478227.stm>

Scottish council chiefs have narrowly backed moves to scrap the council tax in favour of a local income tax.

A meeting of local authority umbrella group Cosla in Aberdeen voted 52 to 50 in favour the move.

The Scottish Government hopes to introduce a local income tax of 3p in the pound in 2011/12 but would require the support of other parties.

Cosla members split along party lines with SNP and Lib Dems favouring the move and Labour and Tory against.

While agreeing to support a local income tax, there was no clear decision on how that tax would operate.

Some support a tax set on a council-by-council basis while others are in favour of the SNP government's preferred option of a 3p levy set nationally.

SNP group leader in Cosla, Dick Lyle, said the result would help the Scottish Government deliver a fair local income tax for people across Scotland.

But Pat Watters, the leader of Cosla and a Labour councillor, said there was a strong minority view in favour of retaining a council tax with some amendments.

With this Cosla vote the days of the sky-high council tax look to be numbered

Finance Secretary John Swinney

It claimed a local income tax would be fairer, with four out of five households better or no worse off.

Scottish Government Finance Secretary John Swinney welcomed the Cosla vote.

He said: "The council tax is an unfair tax and it is time we moved to a fairer system that recognises people's ability to pay - and Scotland's representative local government organisation now agrees with that, which is an excellent step forward.

"The Scottish Government's 3p local income tax plans will see the vast majority of Scots paying less local tax, with the biggest benefits enjoyed by people with the lowest incomes in our society. In particular, pensioners will be much better off.

"The Scottish Parliament has already voted in favour of the principle of abolishing the council tax. With this Cosla vote, the days of the sky-high council tax look to be numbered."

Labour said the decision did not support the "prevailing view" among local authorities.

Public services spokesman Andy Kerr said: "A number of local authorities were not represented at the Cosla meeting to discuss local income tax today.

"In that context it would be wrong to paint this decision as one that gives a universal thumbs-up to the Scottish Government's local income tax plans."

Re:Councils support local income tax

Posted by Clare - 2008/06/27 23:15

I don't think the case has yet been made for the LIT and I think the Scottish Government has some distance to go before it is fully understood (not to mention explained) in detail.
