

## **Expert Advisory Group on Tax on Land and Property**

### **Summary Note of Meeting 3**

**Thursday 25<sup>th</sup> March 2021**

**Present:** Charlotte Barbour, Graeme Blackett, Miriam Brett, Shona Glenn, Phil Prentice, Don MacLeod, Lorne MacLeod (Chair), David Melhuish, Jeremy Moody, Kathie Pollard (Project Manager), Ailsa Raeburn

**Apologies:** None

#### **1) Welcome/Note of last meeting**

The summary note from the last meeting was approved and will be uploaded to the website.

#### **2) Rationale and Principles of Taxation – Revised (paper 1)**

The Land Commission outlined the revised paper discussing the drivers and principles guiding the work on longer term tax reform to reflect the group's feedback. Overall, members were happy with this paper and the group welcomed the progress that the Land Commission had made in taking forward the discussions from the last meeting.

The group emphasised the importance of any principles adopted by the Land Commission in aligning with national objectives for tax policy. Suggestions for additional principles and refinements were made which the Land Commission will consider as it develops the proposals.

#### **3) Discussion of future options for reform (paper 2)**

The group was invited to share ideas for additional changes to the tax system that could help deliver the Land Commission's objectives of preventing the creation of urban dereliction and supporting a more diverse pattern of landownership and any further opportunities.

Comments and suggestions for additional potential tax reforms were offered by the group. It was agreed that these would be considered and further refined by the Land Commission in advance to the final meeting.

Important themes emerged from the discussion. These included:

- The potential to use tax to ensure that benefits arising from participation in emerging carbon markets are shared equitably with communities;
- The potential role of tax in mitigating the risks of speculative real estate activity on the high street as we emerge from the pandemic;
- And the opportunities of land value taxation and the need for a more holistic public debate around this.

When considering the Alma Economics proposals, the group was broadly supportive of instruments focused on derelict land but questioned the extent to which the proposals on diversification of land ownership would have an impact.

Several group members were to follow up and to share reports with the Land Commission as discussed in the meeting and there was a commitment by the Land Commission to consider the recommendations from the recent Towns Centre Review Group.

The next meeting date is 20<sup>th</sup> May 2021.