

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

## **Summary Note of Meeting 4**

**Thursday 20<sup>th</sup> May 2021**

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

**Apologies:** Miriam Brett, David Melhuish

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

The summary note from meeting 3 was approved and the Land Commission will upload it on the website.

### **2) Options for short term reform**

The Group discussed a set of ideas for nearer term options for reform. These ideas had been put forward by the Group and the Land Commission. Members were given an opportunity to comment on and consider these in greater detail.

Ideas included changes to the existing tax system and would impact on or support a variety of areas including second and holiday homes, diversifying landownership, town centre renewal and equitable distribution of property wealth. Devolved and reserved taxes, ranging from non-domestic rates, council tax and capital gains tax, were discussed.

Overall, the Group concluded that there is a risk that too many recommendations are made and that prioritisation would be sensible. It would be important to identify key ideas, that are pragmatic and will capture popular mood, as well as looking to more fundamental reform. Stronger options and priorities for reform emerged from the discussion which the Land Commission would consider further with Scottish Land Commissioners at the June board meeting.

Other comments from members related to the policy intention and purpose of tax, tax design (i.e. how it interacts with existing taxes and how it is defined) and the wider context for tax as an option in amongst other mechanisms such as planning, subsidies and grants.

### **3) Longer term reform of tax on land and property**

There was a discussion about the approach for longer term reform and moving towards a system of tax on land values. The Group recognised the theoretical benefits of land value taxation, however held mixed views on the deliverability and complexity of designing a system of tax on land values on top of the existing system.

The Group advised that there are several factors that the Land Commission might wish to consider as part of a potential next phase of work looking at land value taxation. These included reframing of the discussion and moving on the debates that focus on a single land value tax by having a broader, holistic discussion of tax and land values through vehicles such as citizens assemblies. Conversations about tax should consider the wider fiscal and subsidy regime, making links to climate change and high value urban land through concepts such as natural capital and land value capture.

#### **4) Close**

This was the final meeting of the Group and Chair thanked members for their time and contributions. The Land Commission noted that the meetings have been very helpful in shaping the Land Commission's thinking on tax.

The Land Commission will be in touch to share the final meeting summary note and the next steps.