

# Consultation: The Future of Council Tax in Scotland

## Respondent Information Form

**Please Note** this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy - [Privacy - gov.scot](#)

Are you responding as an individual or an organisation?

- ☐ Individual
- ☒ **Organisation**

Full name or organisation's name

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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- ☒ **Publish response with name**
- ☐ Publish response only (without name)
- ☐ Do not publish response

### Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- ☒ Yes
- ☐ No

# About You Questions

## 1. About you Question 1

[For individual respondents] Please tell us which local authority area(s) you live in

Local Authority Area(s):

[For organisational respondents] Please tell us which local authority area(s) your organisation operates in

Local Authority Area(s):

We represent members throughout Scotland and the rest of the UK. We are responding in our capacity as a tax professional body and charity.

## 2. About you Question 2

If you pay council tax, please indicate which council tax band(s) apply to the property (or properties) for which you pay council tax:

- ☐ Band A
- ☐ Band B
- ☐ Band C
- ☐ Band D
- ☐ Band E
- ☐ Band F
- ☐ Band G
- ☐ Band H
- ☐ I don't pay council tax
- ☐ I don't know

## Questions for Consultation

1. Do you think the current council tax system in Scotland needs to be reformed?

- ☒ Yes
- ☐ No
- ☐ Don't know

2. Do you think property values used to calculate council tax should be updated to reflect current market values, instead of using 1991 values (i.e. should there be a revaluation of every Property in Scotland)?

- ☒ Yes
- ☐ No
- ☐ Don't know

3. How often do you think property values should be reviewed and updated for council tax purposes?

- ☐ Every 3 years
- ☐ Every 5 years
- ☐ Every 7 years
- ☐ Every 10 years
- ☒ Other, please specify [50 words maximum]

We are of the opinion that the advantages of revaluation should be weighed against the costs of revaluing all residential properties in Scotland. However, we feel it is essential that if the proposed revaluation goes ahead that this should be reviewed within 3 years to ascertain the effectiveness and wider impacts on taxpayers.

- ☐ Don't Know

4. Following a revaluation, do you think council tax band property value thresholds should be set at a national level or vary by council area?

- ☐ Thresholds should be set nationally to be the same across all council areas
- ☐ Thresholds should vary by council area based on local housing markets
- ☐ Don't know

We suggest a hybrid solution where councils would have the ability to set their own band D thresholds as well as their existing power to set the band D rate. The councils would then prorate all other bands based on a national scale. This will ensure that householders are treated equally regardless of which council area they reside in. This would allow councils to budget based on their local circumstances but retain an element of equity nationally. Government may wish to consider setting upper and lower limits on bands. The ability to do this would ensure an equal spread across the population but retain the link to ability to pay.

5. Which of the following is most important to you in the design of council tax bands?

- ☐ Ensuring tax rises between bands are gradual and predictable (differentiation)
- ☐ Ensuring households in higher-value homes contribute more (progressivity)
- ☐ Don't know
- ☒ Other, please specify [50 words maximum]

We are of the opinion that it is more important that the system is simple to understand, will not lead to confusion and is linked to ability to pay. Although we support revaluation in principle, we would encourage the Scottish Government to consider alternative methods of raising funds for local government, which could avoid the need for complicated relief structures, especially when circumstances change, and the need to regularly revalue properties.

6. Which of the potential council tax systems do you most support?

- ☐ Revaluation with 8 existing bands
- ☐ Revalued 12-band (differentiated) system
- ☐ Revalued 12-band (progressive) system
- ☐ Revalued 14-band system
- ☐ The current council tax system
- ☐ Don't know

We suggest that bands should be progressive with possibly 14 bands. However, bands I & J should align with the announcement in the recent Scottish budget and the other bands be calculated back from that benchmark.

7. Which of the potential council tax systems do you least support?

- ☐ Revaluation with 8 existing bands
- ☐ Revalued 12-band (differentiated) system
- ☐ Revalued 12-band (progressive) system
- ☐ Revalued 14-band system
- ☒ The current council tax system
- ☐ Don't know

8. Do you support the establishment of a transitional relief scheme to limit how much a household's council tax bill can increase each year following reform?

- ☒ Yes
- ☐ No
- ☐ Don't know

The ATT strongly supports tax simplification. It would be fair and equitable to make this relief automatic ensuring that all householders are treated equally and that it does not introduce unnecessary complication.

9. Which transitional relief scheme would you prefer?

- ☒ Scheme 1: Cap increases at 10% or £300 per year
- ☐ Scheme 2: Cap increases at 25% or £600 per year
- ☐ Other, please specify [50 words maximum]
- ☐ Don't know

10. Do you support the establishment of a council tax deferral scheme for homeowners?

- ☒ Yes
- ☐ No
- ☐ Don't know

11. In your view, who should be eligible to receive support from a council tax deferral scheme?

[Select as many as you think should apply]

- ☐ Pensioners (over state pension age)
- ☐ Disabled people
- ☐ Households with children
- ☐ Households experiencing financial hardship
- ☒ Other, please specify [50 words maximum]

We agree this should apply in principle, however the criteria require further consultation.

- ☐ Don't know

12. Should households who defer payment pay interest on the amount deferred?

- ☐ Yes
- ☐ No
- ☐ Don't know

We have no opinion on this point.

13. Do you think the Council Tax Reduction scheme should be expanded to support more households following any reform?

- ☒ Yes
- ☐ No
- ☐ Don't know

14. Which changes to the Council Tax Reduction scheme would you support? [Select as many as you think should apply]

- x Broaden eligibility criteria for CTRS to include low-income households where the property moves into a higher band due to council tax system changes
- x Change CTR so support is withdrawn more gradually as rising incomes move individuals out of eligibility

We would favour any criteria that avoids cliff edge withdrawal of support.

- ☐ No changes needed
- ☐ Other, please specify [50 words maximum]
- ☐ Don't know

15. Do you have any information you wish to share that has not already been discussed in the paper on the impact of council tax reform on any of the following:

- Groups who share protected characteristics
- Island Communities
- Businesses or organisations in the public, private or third sector
- Your local area

Please provide details, making reference to the type of impact to which your comments relate. [free text, 300 words maximum]

16. Please provide any other comments or views on the consultation themes or council tax reform that you have not been able to share above. [free text, 300 words maximum]

- The Association is a charity and the leading professional body for those providing UK tax compliance services. Our primary charitable objective is to promote education and the study of tax administration and practice. One of our key aims is to provide an appropriate qualification for individuals who undertake tax compliance work. Drawing on our members' practical experience and knowledge, we contribute to consultations on the development of the UK tax system and seek to ensure that, for the general public, it is workable and as fair as possible.
- Our members are qualified by examination and practical experience. They commit to the highest standards of professional conduct and ensure that their tax knowledge is constantly kept up to date. Members may be found in private practice, commerce and industry, government, and academia.
- The Association has more than 10,000 members and Fellows together with over 7,000 students. Members and Fellows use the practising title of 'Taxation Technician' or 'Taxation Technician (Fellow)' and the designatory letters 'ATT' and 'ATT (Fellow)' respectively.