

Getting ready for fiscal shake up



PROGRESSIVE FORUM CONVENER Tony Vickers has been exploring the US experience of LVT to learn how it could be introduced in the UK. Here he gives his findings:

- 1.** LVT should be seen as a nationwide tax in the UK, maybe initially reserved to local government. Pilots will help develop and test the processes and stages needed for national implementation.
- 2.** Political leaders must give adequate resources to allow the monitoring of pilots and set a realistic time-scale for them to be effective.
- 3.** Legislation for pilots must prevent them from being a cover for overall tax increases.
- 4.** The Government's proposed Business Improvement Districts (BIDs) allow for a voluntary property owners levy, if local BID partners vote for it.
- 5.** A new legal taxable entity of Beneficial Ownership of Land needs to be created.
- 6.** Smart BID pilots could be used by the Valuation Office to devise appropriate land valuation methods before the 2005 business tax revaluation.
- 7.** Implementation of LVT must be accompanied by removal of exemptions from existing property taxes (Council Tax and UBR).
- 8.** Consultations in each city wishing to pilot LVT should begin promptly. Pilots should be locally controlled but nationally co-ordinated.
- 9.** Denmark has the best model of LVT, although for pilots, Philadelphia's is best.