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Department of Finance and Personnel
Rating Policy Division
Room D12 Rathgael House
Balloo Road
Bangor
BT19 7NA

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19/06/2008

Dear Sirs,

Proposed reduction of cap on rating to £400,000

In 2006, before the new rating system was introduced, I paid a rates bill of £1592. This year, I had to pay £2690, and whilst no one knows what 2009 will bring, it is a fair assumption that the bill will be in the order of £3000. That is, my rate bill will have doubled in just 3 years. And it has been explained to me that this is a much fairer way of charging rates than the old system. I dispute that this is fairer.

This INCREASE comes out of taxed income so the upshot is that I have an effective EXTRA charge on my gross pension of approximately £1805. I do not fall into the category of "low income households" which, quite rightly, receive reliefs from these swingeing increases; nonetheless I and my wife are pensioners living off fixed incomes and to be required to pay so much extra each year out of already taxed income is punitive. In the event of my death my wife will be forced to sell the house here. And all in the cause of "a fairer system". This system is equivalent to a wealth tax on people who are fortunate enough to be living in a pleasant property, but who do not have the income to meet punitive rises in taxes and can only pay by raiding their life savings

In the years I have lived here, the average annual increase in my rates has been 5.56% year on year, before the changes were introduced. In the same period the average annual increase in RPI has been 3.04%. Thus I have been paying increases in rates bills well in excess (approaching double) the amount of inflation each year for the last 16 years. I feel that in this period I have contributed more than my due.

I understand that it is proposed that the maximum capital value of property for rating purposes be altered to £400000. In my opinion this is not enough, but it would avoid the expected increase next year and in subsequent years and provide some relief from the difficulties which we now face.

Yours faithfully

