

The Ulster Unionist Party restates its view that the rating system should be fair and transparent, have regard for systems of local taxation elsewhere in the United Kingdom, have a relationship to the value of property (as historically has always been the case – and is the case throughout the rest of the United Kingdom), and allowing citizens in this part of the United Kingdom to make a fair but not unduly burdensome contribution both to local services and regional public services.

We welcome the opportunity to contribute to the Review of Domestic Rating undertaken by the Executive.

*First Strand*

Regarding the first strand of issues indicated by the Review, the Ulster Unionist Party makes the following comments:

Savings - the saving threshold should be increased. While it unfortunately remains the case that much UK-wide tax, social and welfare policy has disincentives for personal saving, the Executive should take this opportunity to signal that it does not wish to penalise those who have been prudent in terms of personal savings.

Low-income relief - the new low-income relief scheme must be subject to ongoing review in order to ensure that it does not produce disincentives to participation in the labour market.

Pensioners – the Ulster Unionist Party continues to advocate a universal, non-means-tested rates relief for all pensioner-households – giving dignity and security to those who have worked hard and saved throughout their lives.

Disabled - rates relief for people with disabilities should be broadened and extended, so as to significantly redress the economic disadvantages occasioned by disability

Lower Cap & minimum payment – while both proposals have merit, they require careful consideration in order to ensure that they do not add to the financial challenges faced by low-income households

Rating of empty homes – as proposed in the Final Report of the Review into Affordable Housing, the rating of empty homes would be a significant policy tool in “encouraging action on or sale of empty homes in both rural and urban settings”.

*Second Strand*

With reference to the second strand of issues, the Ulster Unionist Party makes the following comments:

Banding of house values – there is a case to be made for banding as a more appropriate means of approaching domestic rates. While experience elsewhere in the UK does not lead us to wholeheartedly endorse banding, ongoing public unease over the workings of discrete capital values does require that the issue of banding is revisited.

Local income tax – the Ulster Unionist Party rejects the option of a local income tax. Further penalising hard working families, and introducing further disincentives to work, should not be countenanced by the Executive.

Income tax varying powers (as per Scotland) – that the Scottish Executive has not, to date, exercised this power. This alone would suggest that the policy has significant demerits. Furthermore, however, the Ulster Unionist Party opposes on principle any proposal that the Northern Ireland Assembly should have the power to vary income tax. The economic challenges faced by Northern Ireland would be only significantly increased if a decision was taken to further tax income.

Local sales tax – we believe that the administrative difficulties associated with such a tax, together with its untested nature in a UK context, are compelling arguments against giving a local sales tax serious consideration.

Poll tax – considering the unhappy recent history of the concept, and its failure to have any relationship to property, the Ulster Unionist Party sees no merit in giving consideration to a poll tax as a sustainable or fair means of raising local and regional revenue.