



SCOTLAND – April 2021

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Opposition politicians call for 'root and branch review' of business rates

Scottish Labour representative argued a new digital tax is needed to make things fairer between e-commerce and in-store

Various opposition politicians have called for a review of Scottish business rates to help save high street shopping as the nation recovers from the pandemic.

The issue was brought up during a dedicated election hustings on the future of Scottish business and the economy yesterday, organised by ACCA Scotland and CBI Scotland.

The Scottish Labour finance spokesperson Daniel Johnson called for a “root-and-branch” review of the taxes, which followed a manifesto pledge made by his party for the introduction of an 'Amazon tax' to take from the booming e-commerce sector and give back to ailing physical shops.

He said: “I think looking at the basis upon what you tax and how that tax falls is really important... it needs to be put out to an expert group to look at it, but broadly I think it needs to be replaced in its entirety.”

Maurice Golden, finance spokesperson for the Scottish Conservatives, agreed on a review on non-domestic business rates, stating the system “was no longer fit for purpose”.

He also suggested making changes to planning permission to make it easier for businesses to expand into outdoor areas, as well as removing some car parking charges to encourage town centre spending.

Patrick Harvie, co-leader of the Scottish Greens, called for a focus on smaller independent businesses, while the dominance of bigger businesses should be lessened, in order to create the “kind of economy that keeps wealth circulating in Scotland and result in businesses having their roots in local communities”.

Continuing to rail against big business, he added: “They are suffering unfair competition from the big giants, whether it is the massive retailers [or] whether it is the big big box companies that very often use tax havens to extract their profits and minimise their contribution to the public purse.”

Scottish Liberal Democrats economy spokesperson Katy Gordon called for giving local authorities “more power to reshape their city and town centres” alongside local businesses, as well as decentralising enterprise advice and support.

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Earlier in the virtual debate, Johnson suggested turning Scottish Enterprise into an entity to help recovery from the pandemic, arguing that the best way to recover was to encourage people to spend by giving everyone a high street voucher to spend to help stimulate the economy.

The event discussed how candidates would prioritise working with businesses, climate change and whether constitutional uncertainty would deter businesses from investing into Scotland.

The issue of Scottish independence has been at the forefront of campaigning for the general election on 6 May, with the expectation that First Minister Nicola Sturgeon would seek a mandate from Boris Johnson to hold a referendum if her party wins a majority.

SNP Finance Secretary Kate Forbes said that Scotland would have a democratic right to demand a referendum in those circumstances.

She argued that a referendum would happen once the “immediate impact” from the pandemic was over, in order to give the country a choice to shape its recovery.

All opposition representatives argued that the main focus for the next Scottish Government should be on the economic recovery from the pandemic, rather than a second vote.

Forbes argued: “I think Scotland can do much better, closely linked to the rest of the world, building stronger links with our closest friends and allies, by doing things differently with all the powers that we need here in Scotland.”

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