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Require the Secretary of State to commission a programme of research into the merits of replacing the Council Tax and non-domestic rates in England with an annual levy on the unimproved value of all land, including transitional arrangements; to report to Parliament within 12 months of completion of the research; and for connected purposes.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Secretary of State to report to Parliament on introducing a levy on land value

- (1) The Secretary of State shall commission, facilitate and encourage the investigations, collaborations and research needed to provide Parliament with a report on how a scheme of local taxation, based on land values, could serve as a replacement for Council Tax and the national non-domestic rates in England. 5
- (2) The research shall include the arrangements for the efficient administration and effective implementation of such schemes of land value taxation in England.
- (3) The Secretary of State must cause the research to begin within 3 months of the passing of this Act and report to each House of Parliament within 12 months of the completion of the research on the results of the programme of research and his assessment of them. 10
- (4) The Secretary of State may make interim reports to Parliament on what research, collaborations and investigations are needed to supply Parliament with all of the information needed to evaluate the proposals, setting out a timescale for the completion of the investigations, as well as the collaborative work and research that remains outstanding at the time of the report. 15
- (5) The final Report shall include an assessment of the relative advantages and disadvantages of continuing with the current system of Council Tax and the non-domestic rates, and replacing both these forms of taxation with a scheme of land value tax that is able to generate equivalent tax revenues in order to 20

contribute to the costs of providing and administering local services supplied by locally elected authorities in England.

2 Information required and directions as to the research to be undertaken

- (1) The Secretary of State shall encourage and facilitate cooperation and collaboration between bodies in order to ensure that existing knowledge, databases and systems for exchanging information which form part of the geographical information system (GIS) utilised by local and central government in England, can be used to provide information needed for the final Report. 5
- (2) The bodies mentioned in subsection (1) shall include— 10
- (a) The Land Registry;
 - (b) The Valuation Office;
 - (c) The Royal Mail;
 - (d) The Ordnance Survey (OS);
 - (e) The National Land Information Service (NLIS); and 15
 - (f) The Local Government Information House Limited.
- (3) The Secretary of State shall consider how to promote cooperation between departments in central government to facilitate the research for the final report.
- (4) The final report under section 1 shall include proposals for land value tax administration pilots to enable the Government and local authorities to trial and evaluate the processes of matching and mapping address and valuation data from disparate data sets so as to assess the practicability of acquiring and utilising geographical and valuation information within a scheme of local taxation based on land values. 20

3 Transitional arrangements, appeals and matters for evaluation 25

The final report shall include an assessment of the transitional and other arrangements that will be needed to support the introduction of a scheme of local land value taxation, including—

- (a) the additional mechanisms and infrastructure and an estimate of the resources needed to value land separately from buildings on an annual basis for land that is— 30
 - (i) non-residential;
 - (ii) residential;
- (b) whether a system of LVT would require changes to the methods of registering land that is— 35
 - (i) non-residential;
 - (ii) residential;
- (c) local autonomy and responsibilities for determining rates and levels of local taxation;
- (d) transitional arrangements for replacement of— 40
 - (i) national non-domestic rates;
 - (ii) Council Tax;
- (e) development and application of Information and Communications Technologies (ICTs) required for a system of LVT to replace— 45
 - (i) national non-domestic rates;
 - (ii) Council Tax;

- (f) arrangements for resolving disputes over the valuation of plots and managing appeals efficiently and expeditiously for a system of LVT to replace –
 - (i) national non-domestic rates;
 - (ii) Council Tax; 5
- (g) the categories of properties and businesses that would be liable to reductions or increases in levels of local taxation payable and what the magnitude of such increases or decreases would be for a system of LVT to replace –
 - (i) national non-domestic rates; 10
 - (ii) Council Tax;
- (h) models of supply and demand in residential and non-residential property markets to estimate the impact of LVT on –
 - (i) derelict property sites;
 - (ii) speculative land purchase; 15
 - (iii) wider property development and land use;
 - (iv) property prices;
 - (v) economic productivity; and
 - (vi) the wider economy;
- (i) A review of international experience of LVT. 20

4 Interpretation

In this Act –

“geographical information system (GIS)” means a system for capturing, storing, manipulating, analysing and displaying information about the relationship between particular geographical locations, activities undertaken at those locations, and property prices including land values; 25

“land value tax” and “LVT” means an annual tax levied on the unimproved value of plots of land.

5 Extent, commencement and short title 30

- (1) This Act extends to England only.
- (2) This Act comes into force on the day on which it is passed.
- (3) This Act may be cited as the Land Value Tax Act 2014.

Land Value Tax Bill [HL]

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Baroness Jones of Moulscroomb

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