

Policy Motion - Autumn 2011:

Shifting Taxes to Promote Economic Growth

Conference:

1. congratulates Liberal Democrat ministers for securing a rise in the Income Tax threshold but calls for more to be done to remove low-paid earners and the asset poor out of unfair taxation;
2. re-affirms the long held Liberal principle that the fairest basis of taxation is a levy on the socially-created wealth accrued by owners of land and that this should be used to reduce taxes on earnings and enterprise;
3. notes that transferring tax from earnings to land values is especially needed at this time as it
 - (a) makes it expensive to hold land out of use, thus encouraging all forms of economic growth and stimulating investment and recovery;
 - (b) is particularly helpful to industry and agriculture in marginal regions
 - (c) moves the burden of taxation from the poor to the wealthy;
 - (d) ensures that the cost of beneficial public projects is recouped from the increased land values they create;
4. recommends that low value land, such as that zoned for green space or public amenity, should be tax exempt and that low income landowners should be able to defer liability for a tax on the value of their land until sale or transfer;
5. calls for the Party's existing policy (site value rating to replace non-domestic rates) to be extended to cover all land and for Land Value Taxation to become a major source of national revenue, within a single Parliament and not deferred to "the long term"; and
6. that meanwhile, during the period of coalition government, all opportunities are taken to progress towards this reform.