



August 2021

Dear Constituent,

Thank you for contacting me about council tax and the proposal by a lobbying group to impose a new house price tax on homes.

Council tax is a local charge for the use of local services. The current banding system reflects that larger homes make slightly greater use of local services, but intentionally, it is not a poll tax nor a wealth tax.

For the past decade, the Government has ensured that local taxpayers are able to veto excessive council tax increases in a local referendum. The 2019 manifesto, upon which I stood, re-affirmed support for this democratic check and balance, which has helped ensure that council tax remains lower in real terms than a decade ago.

Councils are allowed to remove discounts once given to empty homes, and councils can now impose a premium charge on long-term empty home because of the harm to local amenity caused by empty homes.

I would note under the proposals by this lobbying group, many hard-working families and pensioners would see soaring bills, both within local authorities and across the country. In particular:

- The existing single person discount would be abolished, hitting widows and widowers the hardest. Such a house price tax fails to take into account that single person homes make reduced use of local services.
- Annual revaluations would mean home improvements would be taxed, punishing people for doing up their home. Under the council tax system, material improvements are only taken into account when the home is sold.
- There would be no limit on the increase in taxes. When house prices rise, it would be very easy for a government or council to use that increase to hike the overall tax take by stealth, as bills would be based on house prices.

I also note that the Government has stated it does not support such a policy and has criticised proposals for such house price taxes in a Parliamentary debate.

I hope this explains why such an idea is not one I feel able to support.

Thank you again for taking the time to contact me.

Yours faithfully,

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY