



Serious about levelling up?

“Michael Gove is publishing his levelling up plans at the same time as the Chancellor is increasing national insurance contributions. They are taxing the wrong type of income”. So says Peter Reilly, Chair of the Labour Land Campaign. “Taxing earned incomes is not good for the economy. What should be collected is the unearned incomes that owners of land and other natural resources take as theirs”. Peter Reilly explains how a wealth tax levied on land value would not only be fair and progressive, but it would also rid us of the North/South and Rich/Poor divides that blight our distorted economy.

“Owning land does not create land value - that arises from our combined demand for access to good public and private investments that are paid for by all of us in society as taxpayers, consumers and businesses. We have seen the incomes and wealth of big landowners rise during the pandemic because they have been able to exploit the increased demand for houses while wages for most people are not even rising in line with inflation.”

The Labour Land Campaign (LLC) argues for the replacement of avoidable and distortive taxes with an annual Land Value Tax (LVT) levied on the owners of land. Because taxes and land values are inversely related, by switching to LVT government would collect not only what is currently collected from these bad taxes but would also get income from currently idle development sites and empty business premises that currently contribute nothing to local or national taxes. This would see those sites brought into use and the pressure to build on green land would disappear. Peter Reilly explains how LVT—that cannot be avoided—returns land wealth to the community that creates it, to maintain and develop public services which generate most land value in the first place. LVT would provide a sustainable source of income to pay for good public services whilst encouraging landowners to use their land efficiently. It would also stop the kind of land speculation that has decimated our high streets and made homes unaffordable to rent or buy for a growing number of people.

Peter went on to say “We need a fair tax system. If the Chancellor collected unearned land wealth instead of taking the earnings of workers to pay for public services, we would have a tax system that is fair, unavoidable and unevadable; one that drives a more efficient and more levelled-up economy.” ENDS

***The Labour Land Campaign is a voluntary organisation working for land reform.
It advocates a fairer distribution of land wealth through a Land Value Tax.***

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