



LABOUR LAND CAMPAIGN PRESS RELEASE – 1 MARCH 2022

Land Value Tax Champions The Little Guy Against Amazon

The government has launched a three month consultation on an online sales tax designed to boost England's struggling high streets and shopping malls by funding a reduction in business rates.

The Institute for Economic Affairs has already said that this would make the tax system more complicated, whilst large high street retailers have repeatedly called for fundamental reform of the rates system.

The Labour Land Campaign agrees.

Chancellors love business rates - the average collection rate is over 98%. This is because it is difficult to hide a shop, office or factory. However, they are neither fair nor beneficial to economic activity.

Retail businesses, more than most, require high investment in the building, but that is part of the assessment for the tax. What lunacy to have a tax which discourages investment!

Land Value Tax (LVT) taxes just the land – that's the thing which cannot be hidden offshore. Land is easier and hence cheaper to value than structures. Frequent, preferably annual valuation is key to maintaining the acceptability of any property tax.

Most businesses rent their premises because they do not want to manage a building as well as a business. LVT is paid by owners, not occupants. The Labour Land Campaign says this would help businesses, which would no longer be liable for both rent and the property tax.

LVT can also solve the problem of tax avoidance by online retailers. Major online businesses like Amazon only have a physical presence in the form of fulfilment centres (large warehousing operations). These could be subject to strict planning rules, where the land value could be assessed according to this special use.

Carol Wilcox, Secretary of the Labour Land Campaign, says: "Replace all property taxes, especially business rates, with annual Land Value Tax". 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.***

For more information see www.labourland.org

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