

The Labour Land Campaign encourages debate and investigation into economic policies that will bring about positive and more efficient land use and a sharing of land values, which we all create. We lobby, campaign, organise meetings and conferences, write articles, brief politicians, journalists, academics and property professionals. We take part in discussions and join with other like-minded organisations with the aim of moving towards a more just society – a society that will make better use of our natural resources, help reduce pollution and offer a fairer, more efficient and logical tax system.

The Labour Land Campaign invites all in the Labour, Trade Union, Co-operative and Green movements to join our meetings and to help us take forward our economic policies that are part of the solution to the inequalities in life arising from a fundamental flaw in our economy: a denial of the importance of land in the economy, the undeserved and unjust power in its 'ownership' and the acceptance of land wealth being given as unearned income to owners of land rather than being returned to those that create it – that is all of us!

The Labour Land Campaign welcomes those who want to find out more about who we are, what we have to say and who are willing to contribute to developing our knowledge and thinking on environmental and economic issues relating to land – its ownership and its importance and strategic role in the economy.

If you are interested in finding out more about Land Value Tax or about **the Labour Land Campaign** please visit our website www.labourland.org

If you would like to attend one of our meetings or arrange for a speaker from **the Labour Land Campaign** to lead a discussion or seminar with your organisation, please email carol.wilcox@labourland.org

Labour Land Campaign publications: *Manifesto of the Labour Land Campaign: Towards a Fairer Tax System and a more just society* (£1); *Land Value...for public benefit* (£2); *Welfare for the Rich: Who really receives the biggest subsidies in the UK?* (£2); *A Strategy for Replacing Council Tax and Business Rates with a Land Value Tax*. All available at www.labourland.org.

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How Rural Communities can benefit from an annual Land Value Tax

The problems people and businesses face in rural areas are worsening

- The Labour Land Campaign says an underlying cause of these problems is that natural resource wealth benefits mainly big land owners - a minority of the population - instead of being collected through a reformed tax system to pay for maintaining and developing our public services.
- The UK tax system discriminates against rural businesses, favouring owners of land and other natural resources. Taxpayers in rural areas pay for big inner city transport projects such as Crossrail that increase land value along their lines - but get no share of this economic benefit that they help generate
- The prices of rural homes to rent or buy is forced up by the wealthy buying second homes and homes used for holiday lets.
- Farm subsidies capitalise into land value resulting in tenant farmers paying higher rents and farmland being hoarded in order to collect CAP subsidies instead of it being used efficiently.
- Agricultural land, often owned offshore, is used as a shelter against Inheritance Tax.



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Rural homes bought as second homes and used for holiday lets has led to prices being pushed up making homes unaffordable for a growing number of local people to rent or buy.

Rural businesses struggle to survive whilst community shops, post offices and pubs are closing at a faster rate than ever. Jobs and craft skills are being lost forever. The Business Rate system works against businesses in rural areas and discourages investment there.

Farming methods and the UK's distorted tax system has led to increasing mechanisation thus reducing jobs and skills. Tenancies and contracting agreements are not attracting younger new entrants to farming and do not offer security for non-land owning farmers. Rich individuals buy agricultural land, not to farm themselves, but to avoid Inheritance Tax.

Fishing communities are hugely affected by UK fishing quotas that are increasingly held as a commodity by non-fishing people and with many owned by foreign owned fishing boats. Jobs have been lost from fishing and fish processing plants and are not being replaced by other businesses.

Transport is a real problem for those who don't have a car. Bus services are being cut and fares raised. The quality of life has worsened for those living in villages, particularly those without sole access to a car.

Seasonal work generally means low wages and dependence on benefits for those people employed in tourism and agriculture with little or no prospects for permanent work or decent wages.

Crime can be a problem because those who lack opportunities for worthwhile employment may become caught up in criminal activity, often associated with addiction to illegal drugs.

Young people cannot find jobs that pay well or meet their aspirations and therefore move to live in cities or bigger towns leaving rural areas with an aging population, without the skills and talents of the young.

Who benefits from high land values?

Land owners who receive CAP farming subsidies (directly and indirectly from tenant farmers). Owners of farms, business premises and homes including second homes, holiday lets and rented homes, country estates offering rural sports, all benefit from land value that is given by nature for free or generated by the whole of society.

Who is excluded from this natural resource wealth?

All people who do not own land are contributing to higher land values through their employment, purchases and everyday activities but are excluded from enjoying the economic benefit that land wealth brings.

Who would benefit from an annual Land Value Tax?

Everyone would benefit from a shift in taxation off earned incomes and trade onto the unearned income that goes to owners of land. Land price inflation would be naturally moderated making homes and business premises more affordable for all. Investment in sterile land speculation would be diverted to new and existing business which would become economical sound, creating jobs and stimulating the local economy. There would be a sustainable source of income to invest in maintaining and developing local services that are much needed in rural areas.

Introducing Land Value Tax

Land Value Tax is an annual charge payable by landowners, not tenants, against the value of a site – which is determined by the popularity of a location, its natural attributes and its permitted use decided by planning authorities – disregarding any buildings on the site.

The major economic benefit of **Land Value Tax** – which would cover all land – is that it would bring idle land with planning consent into use, and it would reduce land prices, so that more money could be spent on investment in housing, public services and business activities. It would render housing more affordable.

Land Value Tax cannot be avoided, no matter how clever the accountant, because it is impossible to hide land in a tax haven.

Land Value Tax is not an additional tax, but would replace or reduce other taxes that are regressive or harmful to the economy. So Council Tax would be abolished as well as Business Rates and Stamp Duty Land Tax whilst VAT and Standard Rate Income Tax can be reduced.

Land Value Tax has many other important benefits covered in detail in our other publications – see overleaf.