

Lib Dem tax plans

A letter to the Herald, September 2009

The headlines from the Liberal conference last week were all about Dr Cable's plans for a new property tax on high-value homes; but more important was confirmation of the party's Local Income Tax policy, which would hit far more people in East Hampshire.

Most people of course would not in the end pay the new property tax. But the government's Valuation Office Agency would have to undertake annual inspections of far more homes to assess whether or not they were liable. If the Lib Dem policy were enacted, thousands of homes across East Hampshire would be subjected to this new state snooping.

That revelation was just one of the reasons why the usually invincible Vince found almost as much opposition to his surprise plan inside the Lib Dem conference as outside.

But an even more significant announcement was confirmation from the Lib Dems of their plans for a new Local Income Tax of 3.5 per cent on the basic and higher rates of income tax.

No system of local taxation is perfect; certainly Council Tax is far from it – and, with the extra burdens imposed by the Labour government, it can be very hard for pensioners and those on low / fixed incomes. But it is dishonest to suggest that you can move to a Local Income Tax system instead, with no one losing out.

The Liberals' Local Income Tax would hammer working families and younger workers in shared houses. A working family in Alton or Bordon or Petersfield with both parents on the East Hants average income would pay £799 a year more under the Liberal plans.

Everyone – even now Gordon Brown – accepts that we must get the public finances back into balance, and that will mean some very hard choices and tough decisions ahead. The Liberals seem to think they have found a magic formula to raise taxes painlessly. I'm afraid they are mistaken.

Yours

Damian Hinds
Conservative parliamentary candidate for East Hants
Church St, Alton