

Chartered Institute of Taxation / Association of Taxation Technicians – 2021 Scottish election tax tracker

A summary of the tax policies proposed by each of the main political parties contesting the 2021 Scottish Parliament election.

	SNP	Scottish Conservatives	Scottish Labour	Scottish Greens	Scottish Liberal Democrats
Manifesto	<i>Scotland's Future, Scotland's Choice</i>	<i>Rebuild Scotland</i>	<i>Scottish Labour's National Recovery Plan</i>	<i>Our Common Future</i>	<i>Put Recovery First</i>
Policy proposals					
Scottish Income Tax	Freeze rates/bands for 5 years. Increase thresholds by a maximum of inflation.	Ensure Scottish taxpayers pay no more income tax than those in the rest of the UK by the end of the parliament, retain the Scottish 'starter' rate.	Avoid income tax increases but target these on incomes above £100,000 if required. Grow economy to increase tax receipts.	Continue support for 'progressive' approach to income tax.	Maintain 'stable' income tax system with 'appropriate and affordable indexation of thresholds'.
Property taxation (including LBTT)	Retain current rates/bands of LBTT for duration of parliament. Review Additional Dwelling Supplement (ADS). Support tenant farming by reviewing barriers to access, including their tax treatment.	Increase threshold for LBTT to £250,000. Review ADS scheme. Allow councils to create local LBTT discount schemes.	Prevent land ownership acquisition via offshore tax-havens.	Targeted LBTT relief for housing co-operatives. Introduce 1% annual wealth tax. Review taxation of vacant/derelict land to incentivise development. Review taxation and subsidies for land ownership.	
Council Tax	Reform Council Tax. Increase age of liability for Council Tax to 22.	No Council Tax reform/revaluation unless there is cross-party support. Any proposals should be put to voters at the next election	Replace Council Tax with fairer alternative based on property values/ability to pay. National Council Tax freezes must be fully funded.	Replace Council Tax with residential property tax linked to property values. Give Councils the option of levying local wealth taxes and environmental levies.	Restart cross-party discussions on Council Tax replacement. Replace Council Tax with fairer system (land value a preference), support greater local control over tax and link valuation process to NDR system.
Other devolved taxes	Review Air Passenger Duty rates so they align with climate targets once the power is devolved. This may include higher taxes on polluting aircraft.	Ensure parity between UK/Scottish APD rates and Landfill Tax rates. Oppose tourist tax.	Install a regulatory framework to include the taxation of Airbnb properties. Complete review of local taxes, 'optional' additional levies, like tourist tax, to be examined. Abolish Workplace Parking Levy.	Replace APD with a frequent flyer levy. Implement Tourist Tax and Workplace Parking Levy. Replace landfill tax with tax to disincentivise incineration/waste exports.	Replace APD with a frequent flyer levy.

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Policy proposals					
Business Taxation (including Non-Domestic (Business) Rates)	Maintain small business bonus, business growth accelerator and fresh-start schemes to 2026. Reduce Large Business Supplement between 2021 and 2026. Explore levying higher poundage on firms with HQ's in tax havens. Introduce a digital sales tax. Support tax relief for culture/creative sector.	Wholesale review of NDR by end of parliament. 25% rates relief (min) for businesses in 2022-23 and maintain poundage freeze until 2023. Allow councils to exempt high street/town centres from NDR.	Reduced business rates for non-grocery 'bricks and mortar' shops (20% reduction in 2022/23) Establish taskforce to review Business Rates and look at options for taxing online retailers to ensure they make a 'fair contribution to local services' (20% increase in rates paid by retail warehouses in 2022/23). End Business Rates relief for private schools.	Devolve all NDR powers to councils. Partially replace UK Corporation Tax with carbon tax linked to environmental targets. Support a one-off windfall tax on businesses benefiting during pandemic. End oil/gas industry tax breaks and subsidies.	Introduce land value element to NDR system. Reduce NDR burden on high street retailers.
Tax policy and administration	Call for devolution of VAT and full powers over income tax and National Insurance. Establish Citizens' Assemblies to look at Council Tax reform and, ahead of a future independence referendum, wider Scottish tax policy.	Propose a cross-party commission to improve workings of parliament and strengthen responsibility for holding government to account.	Support Fiscal Framework renegotiations. Strengthen parliament's ability to hold government to account	Support full devolution of tax powers to the Scottish Parliament. Establish Citizens' Assembly to explore future of taxation and make recommendations for a fairer tax system.	

Other party proposals

- [Alba](#), the party led by former first minister Alex Salmond, describes Scotland's tax powers as 'woefully limited, almost designed so they are difficult to use meaningfully'. The party appears to criticise the 'virtue signalling' use of the parliament's existing tax powers and pledges 'reform (of) our entire system' in the event of independence. The party would support 'a development land tax in Scotland, with carefully-calibrated exemptions to protect Scotland's farming community but aimed at bringing assets, currently hoarded, into productive use'. It also backs a 'Wellhead Production Tax' as a replacement for UK Corporation Tax on offshore oil industry, to help finance the transition to low carbon energy.
- [Reform UK](#) (formerly the Brexit Party) propose returning Scottish Income Tax to the UK regime, while also increasing the personal allowance to £20,000, and creating two rates of income tax (20% on income up to £70,000, and 40% thereafter). The party proposes abolishing LBTT, replacing it with a reformed, UK-wide Stamp Duty Land Tax on transactions of £750,000 and over. The party wants to cut Corporation Tax and National Insurance contributions for employers (a policy reserved to the UK), would abolish business rates for SMEs, introduce a 3% delivery tax on online firms and backs the abolition of aviation taxes, VAT on domestic fuel and inheritance tax on estates worth less than £2 million. Many of the party's proposals cut across devolved and reserved tax competencies.
- The [Alliance for Unity](#), founded by the former MP George Galloway, would establish an independent commission to examine 'optimal' income tax rates for Scotland.