



Council Tax and Stamp Duty Alternatives

Westminster Hall, May 17, 2023

Speech by James Murray MP (Ealing North) (Lab/Co-op)

It is a pleasure to speak in the debate with you as Chair, Mrs Harris. I thank the hon. Member for Barrow and Furness (Simon Fell) for securing it, and I particularly thank my hon. Friends the Members for Leeds East (Richard Burgon) and for City of Durham (Mary Kelly Foy) for their contributions.

I am sure we will shortly hear from the Minister about whether the Government have any plans to introduce a new system of property taxation. However, if they were to agree to develop and implement a new system, it would clearly take some time. They could already be helping working families by freezing council tax this year, which could be funded by strengthening the windfall tax on oil and gas producers. As the Minister will know, I and my colleagues have been deeply concerned about the increase in council tax that the Government have forced on local authorities and households this year. That tax rise has taken the bill for a typical band D property above £2,000 for the first time. It comes in the middle of a cost of living crisis and from a Government who have been responsible for 24 tax rises and for making the tax burden the highest in 70 years. At the same time, they have refused time and again to close gaps in the windfall tax on oil and gas producers' unexpected and excessive profits. We have long said that it cannot be right for the Government to leave money on the table like that while pushing up taxes yet again for working people across the country.

The debate is focused on stamp duty as well as council tax. The last time the Government made significant changes to stamp duty was in autumn last year. The main change was to increase the nil

rate threshold for stamp duty payments on residential properties, effectively by removing the lowest band. The changes were introduced by the previous Chancellor, the right hon. Member for Spelthorne (Kwasi Kwarteng), under the brief premiership of the right hon. Member for South West Norfolk (Elizabeth Truss). They were continued by the current Chancellor and Prime Minister—albeit on a time-limited basis—at a cost to the public finances of £1.7 billion a year. We opposed those plans and made it clear at the time that it would not have been right or responsible to support them. Given that our economy was reeling from the long-term damage the Government had done, with current and future homebuyers facing a Tory mortgage penalty, this was not the time to spend £1.7 billion a year on that tax cut. Despite that, the Government pushed ahead. So when it comes to stamp duty, it is clear that they do not have a record of spending public money wisely.

As I said, we opposed the stamp duty cut because it is not a way to spend public money wisely. We are clear that a Labour Government would spend public money wisely, making sure that we eased the burden on working people, who are suffering the highest tax burden in 70 years. I will be interested to see whether the Minister attempts to defend the mini-Budget stamp duty changes. Will he also defend the Government's council tax rise and their failure to strengthen the windfall tax?

I will conclude, because I am conscious of the time. The Opposition believe that our country needs a tax system that is fairer, not one in which an ever greater burden falls on working people, and that is what we will continue to fight for.
