

# Progressive tax plans for Wales published

A progressive tax regime will support first-time buyers and businesses when land transaction tax (LTT) and landfill disposals tax (LDT) are introduced on 1 April 2018, replacing stamp duty land tax and landfill tax, respectively.

Under the new rates for LTT, Wales will have the highest starting threshold for the property tax in the UK. And Wales will become the first country in the UK to introduce a new higher rate of landfill disposals tax to deter people from disposing of waste illegally.

For land transaction tax, the following rates are planned:

## **Residential LTT rates**

<b>Price threshold</b>	<b>Main residential rates</b>
£0 – £150,000	0%
£150,000 – £250,000	2.5%
£250,000 – £400,000	5%
£400,000 – £750,000	7.50%
£750,000 – £1.5m	10%
£1.5m-plus	12%

By increasing the threshold at which the tax is payable, the average first-time buyer will pay no tax at all.

All buyers of residential properties costing up to £400,000 will pay the same or less tax than under stamp duty land tax and the average home buyer will pay nearly £500 less tax than under stamp duty land tax.

9 out of 10 home buyers in Wales will either pay the same or less tax than under the current stamp duty land tax regime.

For people buying an additional residential property, the higher rate of tax will be levied – an additional 3% on top of the main residential rate in each band; this is the same as under the current stamp duty land tax regime.

## **Non-residential LTT rates**

<b>Price threshold</b>	<b>Rates</b>
£0 – £150,000	0%
£150,000 – £250,000	1%
£250,000 – £1m	5%
£1m plus	6%

Wales will have the lowest starting rate of tax for the purchase of business premises in the UK. All businesses buying premises up to the value of £1.1m in Wales will either pay no tax or up to £1,000 less tax than under stamp

duty land tax.

### **Non-residential LTT lease rates**

<b>Net present value threshold</b>	<b>Rates</b>
£0 – £150,000	0%
£150,000 – £2m	1%
£2m plus	2%

To reflect the property market in Wales, the top LTT rate for non-residential lease rates will apply from a lower net present value threshold. For freehold purchases and transactions with lease premiums, it is forecast that 60% of taxable transactions will pay no tax.

For landfill disposals tax, the following rates are planned:

	2018-19	2019-20 (assumed rate)
Standard rate	£88.95	£91.70
Lower rate	£2.80	£2.90
Unauthorised disposals rate	£133.45	£137.55

For the first 2 years of LDT, the standard and lower rates will remain consistent with those for landfill tax. This will provide certainty and stability for businesses and reduce the risk of waste moving across the Wales-England border. The new unauthorised disposals rate will be set at 150% of the standard rate.

Announcing the rates and bands, Professor Drakeford said:

“From April, Wales will introduce the first Welsh taxes in almost 800 years, supporting first-time buyers and boosting business.

“The devolution of tax powers provides us with the opportunity to reshape and make changes to improve existing taxes to better meet Wales’ needs and priorities. I have always been clear that we will use these powers to help improve fairness and support jobs and economic growth in Wales.

“These new progressive rates and bands for land transaction tax and landfill disposals tax will make a real difference to people’s lives; help change behaviours and deliver improvements to communities across Wales. We are being bold but balanced and leading the way in creating a fair and progressive tax system.”

Under the Wales Act 2014, the Welsh Government has powers to put forward proposals for the development of new taxes in areas of devolved responsibility.

The Finance Secretary today announced a shortlist of 4 new tax ideas – based

on feedback from the public – which will be developed further this autumn. One proposal will be put to the UK government in 2018 to test the Wales Act powers.

The 4 new ideas which will be explored further are:

- vacant land tax
- disposable plastic tax
- tourism tax
- levy to support social care.

Professor Drakeford added:

“In July, I started a national debate asking people to put forward ideas for potential new Welsh taxes. We received a large number of responses and I’d like to thank everyone who got involved and helped shape future Welsh taxes.

“The power to propose new taxes is an important one, which we can use to deliver improvements for our communities. The 4 new tax ideas have the potential to do just that.

“Over the coming months, further work will get underway to refine these before we propose one idea to the UK government early next year.”

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## [#TalkValleys comes to Ebbw Vale](#)

These are the three priorities in Our Valleys, Our Future – the high-level action plan launched by the Ministerial Taskforce for the South Wales Valleys, in July.

The Ebbw Vale meeting was the latest in a series of public engagement events taking place in September and early October to discuss the plan.

Key themes to emerge from previous engagement sessions have included the need to work with businesses to develop skills; issues in relation to local transport and connectivity; the regeneration of local high streets; the need for public services to work better together and the cost and availability of child care.

All of these have been reflected in Our Valleys, Our Future, which was developed based on feedback from people living and working in the South Wales Valleys at the beginning of the year.

Minister for Lifelong Learning and the Welsh Language Alun Davies AM; Cabinet

Secretary for Economy, Ken Skates AM; Ann Lloyd, Chair of Aneurin Bevan Health Board and event Chair, local entrepreneur Andrew Diplock, were all at the event.

Our Valleys, Our Future sets out a range of aims and actions in each of the three priority areas, including:

- Closing the employment gap between the South Wales Valleys and the rest of Wales by helping an additional 7,000 people into work by 2021 and creating thousands of new, fair, secure and sustainable jobs;
- Launching three pathfinder projects to look at how services and local delivery can be better joined-up in Llanhilleth, Ferndale and in Glynneath and Banwen;
- Exploring the development of a Valleys Landscape Park, which has the potential to help local communities use their natural and environmental resources for tourism, energy generation and health and wellbeing purposes.

The Minister said:

“Earlier today, the Economy Secretary announced funding for a new 50,000 sq feet industrial space in Rhyd Y Blew, Ebbw Vale. This is the first stage in the development of the £100m Automatic Technology Park in Ebbw Vale which will create up to 1500 new full time jobs in the area.

This is good news, however I recognise that there is more work to be done and the taskforce will continue with its programme of engagement with valleys communities with a view to the publication of a detailed delivery plan later in the Autumn.”

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## [Deadline approaching for people to claim for their care](#)

Continuing NHS Healthcare is a package of care provided free-of-charge by the NHS for people with complex and primarily health-based needs. This can be provided in a care home or an individual's own home.

People who think they, or someone they care for, may have been eligible for Continuing NHS Healthcare but paid for all, or part, of their care can submit a claim.

Potential claimants have until October 31st 2017 to register their intent to make a claim for continuing healthcare costs which were incurred between 1

October 2015 and 31 October 2016.

The NHS will provide advice to claimants and will complete all of the work required to review their case free of charge. This is not a legal process and there is no requirement for people to appoint a solicitor. However, if a solicitor is used, these costs cannot be reimbursed.

All claims will be reviewed within six months of the NHS having all the information that it needs.

Social Services Minister, Rebecca Evans, said:

“Disabled people or those with an illness will sometimes need long-term care to help them, and their families, manage. Some will have paid for that care themselves, when it should have been provided free by the NHS.

“If people, or their families, believe they met the criteria for Continuing NHS Healthcare, but they paid for their care themselves, I encourage them to come forward to make a claim.

Information on how to [submit a claim can be found here](#)

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## [Welsh Government urges people to #Talkparenting](#)

The campaign, which is being launched today, aims to engage widely with people across Wales to help inform the Welsh Government’s legislative proposals on removing the defence of reasonable punishment. Its purpose is to learn more about people’s practical understanding of the current law and to identify any concerns about how a change in law would be implemented.

Those with parenting responsibilities, and others with an interest, are invited to provide their views via a survey about parenting and discipline on the Welsh Government website. The website also hosts a “Frequently Asked Questions” section and infographics illustrating general parental attitudes to physical punishment. People can also take part in an online conversation on social media using #Talkparenting,

The Cabinet Secretary said: “There is an increasing body of evidence showing that physical punishment is not effective and is potentially harmful to children; yet it is still legal.

“I want to address this anomaly and send a clear message that the physical punishment of children is no longer acceptable in a modern society. I also

believe that removing the defence of reasonable punishment will encourage parents of young children to use more positive parenting techniques, which are proven to be more effective.

“I urge parents and all those with an interest to keep an eye out on social media for our #Talkparenting campaign and to give us their views.”

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## [Funding for 50,000 sq ft industrial building to kick start Automotive Technology Park](#)

The Economy Secretary made the announcement ahead of a visit to Ebbw Vale on Monday, where he is due to meet local apprentices and speak to the board of the Enterprise Zone and others about his plans and vision for the area.

Earlier this year the Economy Secretary announced the Welsh Government would invest £100m over ten years in an Automotive Technology Park in Blaenau Gwent with the potential to create up to 1500 new full time jobs in one of Wales' most deprived areas.

The park is one of six strategic hubs identified in the Ministerial Taskforce for the South Wales Valleys' high-level action plan, Our Valleys, Our Future, which was published in July.

Speaking ahead of his latest visit to Ebbw Vale, he said:

“I am keen to progress our plans for a £100m Technology Park as quickly as possible in order to secure high quality jobs and investment in Ebbw Vale and stimulate economic growth across the Heads of the Valleys.

“Today, I am pleased to announce that I have approved the necessary funding for the design and construction of a 50,000 sq ft industrial space in Rhyd Y Blew in Ebbw Vale to kick start that process.

“Since I announced the Welsh Government's plans to establish the technology park, we have had a significant number of enquiries from automotive companies looking to move to Ebbw Vale, and I am confident that the development of this new facility will help us to start to meet demand in the market.

“There is no doubt we are at a pivotal time for the automotive industry. I want the new Technology Park to become renowned as a

centre for the development and application of next generation technologies for intelligent transportation. I'm confident that the inclusion of elements such as a 5G test bed will help us achieve that.

"This needs to be a project that can have an impact in both the near and the long term. We need to retain our focus on the here and the now, which also means focussing on jobs on the ground and the petrol engines that will be with us for some time to come, but it needs to be built in a way that can capitalise on rapid changes happening in the automotive industry. The park and our investment needs to be future proofed to develop and take advantage of the cleaner technologies of the future.

"We need to be clever and collaborative in order to make the Technology Park a success which means leveraging in funding from both private and public sectors, working constructively with our partners and investing in local skills.

"Later today I look forward to meeting a group of Aspire apprentices working and training in and around Ebbw Vale. Their skills, and the skills of other like them across the Heads of the Valleys will be key to the success of this technology park. We owe it to them and the region more widely to make it a success."

Chair of the Ebbw Vale Enterprise Zone Board, Mark Langshaw said:

" We are pleased to welcome the Economy Secretary to Ebbw Vale again to discuss plans for the £100m technology park. It is good to see that work is progressing and that the Welsh Government has committed to the construction of a 50,000 sq foot industrial building in Rhyd y Blew. We look forward to working with Welsh Government on this project to ensure that it delivers for the people of Blaenau Gwent and beyond."

The Economy Secretary will co-chair another Ministerial Taskforce for the South Wales Valleys Taskforce public engagement event at Ebbw Vale Institute later today alongside fellow Taskforce Minister Alun Davies, where economic prosperity and opportunities to capitalise on the region's natural environment will both be on the agenda.