

Tax plans risk recession

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A deal to inflate tax rates risks pushing Scotland back into recession, the Scottish Conservatives are warning.

The Scottish Government's own analysis in its tax discussion paper concludes that Labour, Lib Dem and Green plans all will negatively impact Scottish economic growth – currently at just at 0.1%.

The Scottish Conservatives are today warning that the SNP government risks economic decline if the First Minister adopts any of these proposals – slashing the money available for schools and hospitals.

It comes as the Scottish Conservatives are also highlighting the fact that as many 890,000 current basic rate taxpayers, or 40% of the total, face a new higher 21% rate, under yesterday's proposals.

This is despite the fact that Nicola Sturgeon promised before the 2016 Scottish election that the basic rate of income tax would be unchanged.

Scottish Conservative shadow finance secretary Murdo Fraser MSP said:

“We have got to focus on stimulating economic growth, because that is how we will pay for our public services.

“Yet the SNP now seems ready to do a deal with any one of Scotland's left-wing parties which they know could push it back into recession.

“The First Minister also has some serious explaining to do to basic rate taxpayers.

“She couldn't have been clearer before the election – she said the basic rate would not rise.

“Yet under these plans, nearly 900,000 basic rate taxpayers face paying a higher rate than they do right now.

“That would be a clear breach of a major SNP promise. Nicola Sturgeon must think again.”