

“Transparency is key in developing our tax policy” Finance Secretary tells Cardiff Business School breakfast

Speaking at a Cardiff Business School breakfast, he will update the meeting about the process of testing the Wales Act 2014, which enables the Welsh Government to propose new tax ideas in areas of devolved responsibilities.

A vacant land tax was chosen from a shortlist of 4 tax ideas to test the Wales Act, following a public debate about new tax ideas last year.

A vacant land tax could be used to discourage land banking and encourage the more timely development of vacant sites to meet increasing housing demands in Wales.

Addressing an audience of policymakers, business practitioners, and other stakeholders, Finance Secretary Mark Drakeford will say:

“We are currently working on the process of transferring powers from the UK government to Wales. We hope to begin negotiations with HM Treasury in the coming months, with a view to securing the powers in the New Year. After this time, we can begin more formal policy development.

“I am committed to ensuring our tax policy is developed in an open and transparent matter and that’s why we’ve had – and are continuing to have – constructive discussions with stakeholders.

“Only through this cooperation can we ensure we achieve our objectives without placing any unnecessary burden on responsible developers and land owners.”

A vacant land tax is not a new idea. Property taxes have been used to encourage development and regeneration across the world. The Republic of Ireland’s vacant sites levy provides a useful reference point for how a vacant land tax might work in Wales.

However, a vacant land tax in Wales would be developed specifically for Wales’ unique requirements.