

Vacant land tax idea to be used to test Wales Act powers

The Cabinet Secretary will today set out the next steps for proposing a new Welsh tax as part of the tax policy work plan for 2018.

Since announcing a shortlist of 4 new tax ideas alongside the draft Budget in October, the Welsh Government has been examining the case for each of these.

The 4 tax ideas were: a social care levy, a vacant land tax, a disposable plastics tax and a tourism tax.

Although the vacant land tax idea will be used to test the Wales Act powers, work will also continue on each of the other 3 tax ideas.

The decision to take forward the vacant land tax idea follows engagement with stakeholder organisations, the public and across government.

A vacant land tax has been chosen both because it could help to incentivise more timely development, and because it could help prevent dereliction and aid regeneration.

Professor Drakeford said:

“Housing is a priority for the Welsh Government. A tax on vacant land could prevent the practice of land banking and land not being developed within the expected timescales.

“The Republic of Ireland vacant sites levy provides a useful starting point for how a vacant land tax could work in Wales.

“The existing model in the Republic of Ireland and the relatively narrow focus of the tax make this the most suitable of the 4 shortlisted ideas to test the Wales Act.”