

Between them, Chancellor George Osborne and Local Government minister Eric Pickles, have missed the opportunity to reform Britain's property tax and made a mess of things instead. We reported previously that the government had decided to defer the UBR revaluation for two years, until 2017. The [FT now reports](#) that

"Colliers International, the property agency - which has described the decision as a 'scandal' - has launched an e-petition on the Downing Street website calling for the 2015 revaluation to go ahead as planned.

"The firm's own research suggests that rents have fallen steeply in many parts of the country since the last valuation in 2008, meaning that tenants are locked into overly high rates. The falls include 26 per cent in the Northeast, 20 per cent in the East Midlands, 21 per cent in Merseyside and 23 per cent in Yorkshire.

"By contrast rents in London's West End have risen 26 per cent in the same period, meaning that shops in the most expensive part of the country will benefit from the delay in the revaluation."

The Chancellor, in the meantime, has decided against either a review of Council Tax bands or to go ahead with the LibDems proposal for a "Mansion Tax". We would not argue with that. Cable's proposal for the Mansion Tax was never a good idea and it was easily shot down on the grounds of practicality alone. It is unfortunate that the LibDems muddied the waters with the suggestion in the first place. Waters have been further muddied by the misrepresentation of land value tax as a wealth tax, which it absolutely is not.

As to the fairness or otherwise of delaying the UBR revaluation, the report of a 26% rise in rents in London's West End gives the game away. The beneficiaries of delay are not the shops who rent the properties but their landlords. On the same line of reasoning, those who are losing out from a revaluation are not, on the whole, the shopkeepers, but the owners of provincial properties; either way, the effects of a change in property tax do not last beyond the first (upwards only) rent review.

Thus a revaluation would change the relative values to bring them in line with changes since the last one. But it makes little difference to most businesses, especially small ones. If rates are held down, they will be hit with a bigger rent rise when trading conditions pick up. Landlords win regardless, since theirs is an each-way bet. If the government was concerned about small businesses, they would have outlawed the onerous, unfair, and ubiquitous "upwards only" rent revision clause.

However, having deferred the UBR revaluation for two years, the way is now open for a comprehensive reform of Britain's property taxes, replacing them all with a national tax on land values. This would broaden the tax base by raising revenue from properties - vacant and poorly developed sites - which currently make little or no contribution. If most people paid about the same as now, the additional revenue raised would help to pay off government debt and then pave the way for substantial cuts in taxes on wealth creation. But does not seem as if it is not going to happen. If the Conservatives were really the party of business, a Conservative

Chancellor to be giving top priority to cutting taxes on wealth and its creation.

Humbug

The behaviour of this one reveals humbug behind their rhetoric. But we seem to be in the Age of Humbug. It is humbug all the way across the board - I referred last week to the humbug that lies behind protestations about tax avoidance by people who refuse to talk about the one tax reform that would stop it dead in its tracks.