



**ULSTER UNIONIST  
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# Opposing Unfair WATER TAXES



**British Citizens have responsibilities as well as rights.** That is why Ulster Unionists accept that the people of Northern Ireland have to pay their fair share of local taxes, just like our fellow citizens in the rest of the United Kingdom. But the Labour Direct Rule Ministers' plan for rates reform and for the introduction of water charges are ill thought-out and fundamentally unfair.

**It is time to go back to the drawing board and create fair local taxes - local taxes which don't penalise home ownership, which are levied fairly, and which protect the vulnerable.**

**Ulster Unionists**  
[www.uup.org](http://www.uup.org)





# Opposing Water Charges: UUP Priorities for Fairer Local Taxes





## Fair Rates:

The Labour Direct Rule Ministers plan to change the way domestic rates are assessed, moving to the discrete capital values system. At present the average rates bill for households in Northern Ireland is £445 p.a. – under the Labour Direct Rule plans this will rise to £564 p.a.

The Direct Rule Administration justifies the tax hikes represented by rates reform as necessary for better public services. The UK-wide revenue from taxation is £487 billion - of this a mere £40 billion (only 8.2%) is from local domestic and business taxes. The importance of domestic rates to public expenditure is nothing like what the Labour Direct Rule Ministers would have us believe. They arrogantly ignore the fact that the hard-working people of Northern Ireland contribute their fair share to the United Kingdom's public expenditure through income tax, national insurance, excise duties, and VAT - which provides the finance for the vast bulk of public expenditure.

Ulster Unionists reject the Direct Rule Administration's proposals for rates reform. They fail to take account of the impact of rising house prices, would hurt those who are asset rich but cash poor, and – according to the Government's own assessment – would not create a burden shared equally across the community.

The DUP has said it that does "not support" the move to capital values – but has only asked for its introduction "to be delayed". The Alliance Party advocates replacing domestic rates with a local income tax – destroying jobs and the incentive to work, hitting families with more than two earners and pensioners who have saved during their working lives.






-  Ulster Unionists support going back to the drawing board on rates reform. We need a property tax that pays for local services and contributes to regional expenditure but is levied on a fair basis.
-  Rather than penalising home ownership, domestic rates should be a fair and just tax on property.
-  Rather than threatening those who have worked and saved throughout their lives, domestic rates should protect older citizens who are most at risk of being asset rich but cash poor.
-  Rather than higher rates bills disproportionately falling upon one section of the community, the tax burden of domestic rates should be shared equally across the community.

## Opposing the Unfair Water Tax:

The Government are planning to impose a water tax on the people of Northern Ireland. You will pay this tax not on the basis of the water you use, but on how much the Government thinks your house is worth. The average water charge bill will be £340 p.a. Together with the Direct Rule Administration's plans for rates reform, this will lead to an increased tax bill for the average household in Northern Ireland of £904.

This represents an increase in local taxes of over 100%. We have just had a Budget under a Labour Administration in which the Chancellor told the people of the United Kingdom - "with both our economy and public finances strong I can afford tax cuts for hard working families". Obviously the Direct Rule Administration wants to govern Northern Ireland as a place apart - a place in which taxhikes can be imposed at will.

The DUP say they are opposed to the water tax – but have provided an agenda for its implementation, including basing charges "on the rateable value of the home". The DUP have proposed that when the water tax is introduced, rates bills should be reduced. This suggestion would particularly hit low-income households, as the lower rates bills would take away their rates rebates, while at the same time they have to pay the water tax.

-  Unlike the DUP, Ulster Unionists oppose the Government's unfair and unjust water tax plan.
-  Ulster Unionists support going back to the drawing board on financing our water services.
-  Our water service should receive the equivalent level of Treasury investment as the £1.6 billion the water services on the mainland received in the late 1980s/early 1990s – contributed to by taxpayers in Northern Ireland.
-  The Government's proposal to base water charges on capital value is an unacceptable and unfair tax on home ownership.
-  Any future plans must protect the vulnerable in our society – especially pensioners and those on low incomes – and must not add to their financial burdens.





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## Against the Water Tax:

Ulster Unionists oppose the Government's unfair and unjust water tax plan.

Our water service should receive the equivalent level of Treasury investment to the £1.6 billion the water services on the mainland received in the late 1980s/early 1990s - contributed to by taxpayers in Northern Ireland.

The Government's proposal to base water charges on capital value is an unacceptable and unfair tax on home ownership.

Any future plans must protect the vulnerable in our society - especially pensioners and those on low incomes - and must not add to their financial burdens.

