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UK PROPERTY TAXES ARE HIGHEST IN DEVELOPED WORLD, SAYS OECD..... 1

UK property taxes are highest in developed world, says OECD

New analysis from the Organisation for Economic Co-operation and Development (OECD) has revealed that property taxes in the UK are higher than any other developed country.

In 2014, the latest year for which data is available, property taxes accounted for 12.7 per cent of the total tax burden.

This figure was up 0.3 percentage points on 2013's figures and more than one per cent higher than 2011 – and this is all before the major changes to property tax came into effect in 2015 and 2016.

The OECD report states that levies on property as a share of total taxation are higher in the UK than anywhere else in the developed world. In fact the UK tax figure is more than twice the average level (5.6 per cent) recorded among the OECD's 35 members.

Since records began in 1965, the OECD has found that the international average has fallen from around eight per cent, while the UK Government has increasingly relied on property taxes for its income.

The only other countries with property taxes above 10 per cent are Australia, Canada, South Korea, and the US.

In 2014, tax collected on residential and commercial property in the UK, which includes stamp duty, inheritance tax and business rates, jumped to £74.2 billion, up from £69.8 billion in the previous year.

The OECD's latest revenue statistics bulletin says that the increase pushed up levies both as a proportion of the government's total tax take and national economic output, with property taxes now representing the highest share of the tax burden in at least 35 years.

With the recent changes to Stamp Duty Land Tax and mortgage interest relief it is expected that the total tax burden from property taxes will increase significantly in 2017, but it may be a number of years yet before the true impact can be calculated.