



Scotland Demands Better on Tax

Tax Justice Scotland's priorities for the Scottish Parliament - October 2025

[Tax Justice Scotland](#) is campaigning for a fairer and more effective tax system.

It is backed by a diverse range of stakeholders, from anti-poverty charities, trade unions and policy think tanks to gender, care, environmental, disability, faith, social enterprise, and community development organisations, and more. We all recognise the cross-cutting importance of tax justice and are united as a joint movement for change in and from Scotland.

Our campaign recognises that fundamental and long-term tax reform is necessary in Scotland – as part of broader change in the UK and globally – to create an effective, fair and robust inter-connected tax system fit for the 21st century. We believe the tax system must do more to help:

- Enable significantly higher public spending on people, public services and green infrastructure;
- Redistribute income and wealth in ways that help combat economic inequalities;
- Shape behaviours and the economy in socially and environmentally positive ways.

Change can start now, but the 2026 Scottish Parliament election is a major moment to drive progress.

Alongside smarter decisions on how we spend existing budgets, much more investment in public services, infrastructure and social security is essential to build a fairer, greener and more prosperous future for everyone. With [Scotland's Fiscal Commission](#) urging all parties in this Parliament and the next to work together to address immediate and long-term action financial challenges, it's time for Scotland's political leaders to put concrete plans on the table and back real tax reform, locally and nationally.

A range of options exist to enhance the tax system. As a broad-based campaign, Tax Justice Scotland wants to encourage discussion around ambitious reforms. Building upon our [Vision for Tax Transformation in Scotland](#), we urge all political parties to outline their proposals for using the powers of the Scottish Parliament to create fairer devolved and local tax systems in Scotland.

We call on all political parties to outline their Tax Justice Plan, including in the following key areas:

1. Replacing the out-dated, unfair Council Tax, with a Reformed Property Tax.

Council Tax reform is long overdue. There has been a consensus for many years across parties, academia and civil society that the current system is not fit for purpose. A poorly designed tax from the outset, its flaws have only deepened as time has gone on. The cross-party Commission on Local Tax Reform recommended in 2015 that "the current system of Council Tax must end". Despite this recommendation, the evidence underpinning it, and a constantly worsening [financial situation](#) for Scotland's local councils, Council Tax stubbornly persists.

Failure to progress reform is severely damaging the public services and amenities we all rely on, but which are particularly vital for women, disabled people, and those with low incomes. This cannot continue. Several options for reform exist and the next Scottish Parliament and Government must deliver a system that is truly local, proportional to property value, based on periodically reviewed valuations, and flexible to household circumstances. To achieve this, it must quickly deliver a revaluation of all domestic properties while designing a new [Reformed Property Tax](#). This should be in place by 2031 at the latest.

2. Bold and fair changes to existing taxes, including but not limited to Income Tax, to raise additional revenue by asking those with greater financial resources to pay more.

Recent progressive reforms to Income Tax are raising more money – over £600 million in additional tax [receipts](#) in 2025/26. But with rising costs and demand, further action is needed to raise more revenue for public services – like the NHS and social care – which are critical to everyone in Scotland, but particularly those with low-incomes and women who are more likely to undertake unpaid care.

Reforming how services are provided won't be enough. Increased investment is vital to meet unmet need, while simultaneously hitting Scotland's legal commitments on child poverty and emissions reduction, fulfilling human rights and delivering upon wider policy goals. Over time, raising enough revenue is likely to require [broad-based tax increases](#). However, these must be designed to ensure that the combined impact of tax *and* spending – including increased investment on public services and universal entitlements, like cheaper childcare and public transport – is redistributive, combats inequality and helps to lower the cost of living for everyone.

3. Combatting deep wealth inequality by exploring ways to tax wealth more effectively.

Despite deep [wealth inequality](#) in Scotland, the Poverty and Inequality Commission's longstanding [call](#) to bring wealth into scope of future tax policy has only led to vague commitments to "[scope options](#)". The next Scottish Government should publish a time-bound and ambitious plan to help tax wealth more effectively in Scotland, leading to concrete proposals at national and/or local levels.

This Plan should build on immediate work, as called for by the Commission, to ensure all land and property is registered and accurately valued. All Scottish political parties should also vocally support improved wealth taxation at UK level, such as a UK-wide 2% tax on individuals with assets worth more than £10 million and reforms to existing [UK taxes on wealth](#). They should also champion global tax cooperation, including a strong [UN Convention on Tax](#).

4. Raising more revenue to invest in climate action, including by making polluters pay for their damage while incentivising emissions cuts.

[Globally](#) and in [Scotland](#), on average, the wealthier you are, the more you pollute. To be climate just, this reality must inform how we use taxation to not only raise more revenue to invest in climate action but also to help incentivise big polluters to reduce their emissions.

Measures could include progressive use of general taxation, particularly of wealth, alongside targeted measures to incentivise emission reduction, such as a well-designed [Carbon Emissions Land Tax](#) on large landholdings. Reforms to existing mechanisms should also be considered, like making tax reliefs on Non-Domestic Rates conditional on climate action. The Air Departure Tax could also be operationalised, with [a new higher rate for private use](#), followed by a fair levy to make those who fly more, pay more, as called for by [Scotland's Climate Assembly](#).

5. New or reformed local taxes to incentivise businesses towards fair work and other positive behaviours, whilst promoting inclusive business models.

With in-work poverty rising and around one in 10 workers in Scotland [trapped in persistent low pay](#), the majority of whom are women, improving the quality of work is essential. While direct labour market powers are reserved to Westminster, devolved control over the taxation of employers locally could be explored as an additional incentive to provide fair work.

This could include new local levies or reforms to Non-Domestic Rates that reward fair work employers – such as those who pay the real [Living Wage](#), provide Living Hours and recognise trade unions – including ensuring any tax reliefs are conditional upon this. These reforms could also actively incentivise employers to increase employer support for [unpaid carers](#) to access good jobs, should they choose to do so, and help promote more inclusive and democratic business models.