

**IRRV Conference September 3rd 2008  
Local Income Tax – Good or Bad for Scotland  
Emeritus Professor George Jones, LSE**

**The Lessons of Layfield and Lyons for Scotland.**

**Scottish LIT is not LIT but a grant.**

**The first issue: pro-local government or not?**

**The second issue: choose the finance system to support that choice.**

**If choose local government, reduce not increase grant.**

**Keep a property tax, and reform it.**

**Add to it a genuine LIT.**

**Reinforce that choice with a Constitutional settlement.**

**Arguments to win:**

- (i) taxation counts – accountability for spending is not enough;**
- (ii) stop clinging to minimum national standards and worrying about the post-code lottery - celebrate diversity;**
- (iii) challenge political paralysis.**