

Gove must end agricultural land being used as a tax haven say Greens



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Green Party MEP, Molly Scott Cato, is this week laying down a challenge to the Environment Secretary, Michael Gove, to end the use of agricultural land as a tax haven and tax shelter.

Molly, who sits on the European Parliament's Agriculture Committee, will speak at the Oxford Real Farming Conference (ORFC) this week [1], which will also be attended by Mr Gove. He will be the first Defra secretary to take to the stage at this alternative farming event which runs parallel to the long-established Oxford Farming Conference (OFC) [2].

Ahead of her speech at ORFC [4], Molly Scott Cato said:

"Gove must call time on the UKs largest land owners who are using agricultural land to hide and shelter their wealth. Agricultural land offers generous tax breaks as it is exempt from inheritance tax after two years if it is actively farmed. The fact that the sale of a farming asset can be rolled over into a new business or acquisition offers further tax relief."

Last summer Michael Gove said that post-Brexit farm subsidies will be based on measures to protect the environment and enhance rural life, rather than on the amount of land farmers own [3]. But Dr Scott Cato says the Environment Secretary must go much further:

"Using land as a tax shelter undermines its productive use. Land banking and earning an income from land assets also encourages a rentier economy and stifles innovation. If Michael Gove is to bring about genuine radical reform he will need to challenge the large land owners. Nobody can seriously suggest that we should be subsidising set ups like that of international racehorse breeders Juddmonte Farms which is owned by Prince Khalid Abdullah of Saudi Arabia.

"Significant taxation of estates and the abolition of inheritance relief could bring more land back into the market, reduce concentration of ownership and make land available to those who want to farm. We also need to take back control of our land so it can perform vital social and environmental functions especially to act as a carbon sink and to decrease the threat of flooding."

Notes

[1] <http://orfc.org.uk/>

[2] <https://www.ofc.org.uk/>

[3] <http://www.bbc.co.uk/news/science-environment-40673559>

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