

Green MEP calls on Gove to look at both subsidies and 'agricultural tax havens' when developing plan for farming



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A Green MEP has accused Environment secretary Michael Gove of taking from wealthy landowners with one hand but giving it back with another through tax advantages. Mr Gove is set to tell agriculturists in Oxford today that “paying landowners for the amount of agricultural land they have is unjust, inefficient and drives perverse outcomes. It gives the most from the public purse to those who have the most private wealth” [1].

However, Molly Scott Cato MEP, a member of the European Parliament's agriculture committee, has said the promise is meaningless without ending the ability of landowners to use agricultural land as a tax haven and tax shelter. She said:

“This is sleight-of-hand politics from Gove. He is giving the appearance of taking from wealthy landowners with one hand while giving it back to them with the other in the form of unjust tax advantages. But taxes and subsidies must be treated as a package; in economic terms they are two sides of the same coin.

“If Gove is serious about the injustices associated with land ownership in this country he would call time on the use of agricultural land to hide and shelter 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. That is perverse. Michael Gove needs to consider both taxes and subsidies when developing his new plan for farming.”

Dr Scott Cato also points to the fact Michael Gove is a leading advocate of a hard Brexit.

“Gove is part of the Brextremist set whose agenda has always included creating a low tax economy post-Brexit and protecting the UK's offshore tax havens. Such an agenda would clearly benefit wealthy landowners”, she added.

Notes

[1]

<https://www.theguardian.com/environment/2018/jan/04/farmland-could-be-turned-into-meadows-post-brexit-says-michael-gove>

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