

Nat Tax to hit nearly half of Scottish workers

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The Scottish Government's Nat Tax means nearly half of Scottish workers will pay more than if they lived in the rest of the UK.

Finance secretary Derek Mackay confirmed that everyone being paid more than £26,000 – including nurses, primary teachers and police officers – would pay more under his plans.

He introduced a new rate of 21p for those earning between £24,000 and £44,000.

That means, once a worker hits £26,000, they will be worse off than their equivalents in England, Wales and Northern Ireland under these SNP plans.

It is estimated around 1.16 million workers will be hit by these changes, a total of 45 per cent.

Earlier, First Minister Nicola Sturgeon claimed the tipping point would be at £33,000, hitting 70 per cent of workers.

But that sum takes into account the Personal Allowance introduced by the UK Government to help lower earners.

And even those taxpayers who the SNP says will save money will only gain by £20 a year – the equivalent of 38p a week.

Mr Mackay also increased rates at the higher and top tax bands, even though he admitted doing so may spark behavioural changes which could lead to less being raised.

The move is a direct contradiction of the SNP 2016 manifesto, which said taxpayers currently on the basic rate would be “protected” and would not have to pay more.

Following today's announcement, that promise has been unequivocally broken.

Growth projections were also released by the Scottish Fiscal Commission, which show “dismal” growth of less than one per cent for the next five years.

They revealed, for the next five years, GDP will increase by merely 0.7 per

cent, 0.9 per cent, 0.6 per cent, 0.9 per cent and 1.1 per cent.

Today's budget also saw council funding fall in real terms, and failed to make changes to Land and Buildings Transaction Tax (LBTT) recommended by experts to stop the market jamming up.

He did extend help for first-time buyers, but the Scottish Conservatives said that wouldn't matter if homes on the market continued to be in short supply.

Scottish Conservative shadow finance secretary Murdo Fraser said:

"This Nat Tax will hit nearly half of Scottish workers in the pocket.

"That is a tax on aspiration, a punishment for daring to work hard, and a direct breach of the promise made by the SNP in its election manifesto.

"Today, every single SNP member of the Scottish Government has broken that promise to the Scottish people.

"That will not escape the notice of voters, who will never believe a word the nationalists say again.

"The message from this budget is clear: don't be ambitious, don't be hard working, and don't be successful in the SNP's Scotland.

"If you are, the SNP will penalise you for its own failure to grow the economy."

On the SFC's growth projections, Scottish Conservative shadow economy secretary Dean Lockhart said:

"These growth projections from the Scottish Fiscal Commission are absolutely dismal and much worse than expected.

"It will mean that Scotland's economy will have trailed behind the rest of the UK for 14 years.

"Instead of prioritising economic growth, the SNP has decided to impose higher Nat Taxes on the hard working people of Scotland.

"Large and small businesses across Scotland have warned the SNP that this will cause long term damage to the economy.

"It's the SNP's responsibility to grow the economy, but it is abjectly failing to do so."