

From Construction News 9 March 2006

Quarriers condemn 'crafty' planning tax

QUARRIERS have hit out at Government plans for increased tax demands on landowners and developers who sell land ripe for development.

In an effort to tap into the rich profits developers make on land following the granting of planning permission, the Treasury has issued a consultation document on proposals to claw back cash.

The Planning-gain Supplement was announced as part of its Barker Review on housing supply. The Government says it will help finance the infrastructure needed to stimulate growth in communities. But the British Aggregates Association claimed the move was a cynical ploy to bank some cash on the back of property deals.

It also said the move could reduce the supply of raw materials for housing and infrastructure developments.

BAA secretary Peter Huxtable said: "In our industry land value is a wasting asset. Once minerals have been extracted the value has actually decreased, unlike the short-term and high enhanced values for property."

Mr Huxtable said quarriers had hoped the consultation document would cap the supplement on housing and infrastructure developments and claimed its possible introduction was already affecting the market.

He said: "It is a crafty way of getting cash. We are already seeing enormous uncertainty in the market and a reluctance to proceed to future developments with the potential of PGS being introduced in 2008."