COUNCIL - 19 NOVEMBER 2012

AMENDMENT TO MOTION C

(Delete words that have been struck through and add words that have been underlined.)

- With many low and middle income families struggling with the impact of <u>the</u> recession tax and benefit changes and rising household costs, it is wrong right for the Government to prioritise <u>cutting the income tax bill of giving an £40,000 income</u> tax cut to 14,000 millionaires workers across the UK, which for the average worker means a cut in their bill of £550 a year. in April 2013.

- This is particularly the case important given the number of that low income households with children in Haringey have been disproportionately hit by cuts in working tax credits since April 2012

This council notes:

-By April next year 24 million people will have received a £550 tax cut thanks to the Liberal Democrats in Government

-That many people on low incomes no longer pay income tax at all because the Liberal Democrats have fought to get the income tax threshold to £10,000.

-By April next year, someone working full time on the minimum wage will see their income tax bill cut in half compared to what they were paying under Labour.

-Labour were the party that hiked up taxes on working people through their 10p tax rate fiasco.

-The top rate of tax was 40p for all but 35 days of Labour's 13 years in power. Liberal Democrats have raised taxes on the wealthiest, cracked down on tax avoidance and are pushing for further wealth taxes.

-Liberal Democrats have prioritised free early years education because it helps hardpressed families with childcare costs and makes a huge difference to a child's life chances. The two-year-old offer is funded with £760m new money, as announced in the Autumn Statement.

<u>-Taking account of the up-rating measures to tax credits announced in the Autumn</u> <u>Statement, around 80% of households with children will see their tax credits awards</u> <u>increase, at least in line with earnings this year.</u>

-The overall impact of the tax changes, mean the burden falls most heavily on the

top 20% of the population.

-The Liberal Democrats have stopped the wealthiest in society receiving child tax credit to ensure the money goes to the people who need it. Under Labour, people earning more than £60k, which includes all MPs, were receiving this benefit.

- Around 1880 Haringey families in part time work have seen their working tax credits cut by up to £3,870 a year as a result of the Government increasing the amount of hours couples are required to work from 16 to 24 hours

-In the current economic climate, the majority of couples in part time work will find it difficult to increase their hours in order to be eligible for tax credits.

-The cuts in working tax credits are impacting the lives of around 5000 children in Haringey

-For those families affected by the tax credit changes, the cut negates any small benefit obtained from the rise in the income tax threshold introduced in April 2012

-The cuts in working tax credits undermine the Government's claims to be 'making work pay' as extra financial support for the low paid in part time work is withdrawn at a time of squeezed household budgets and record high childcare costs

-Of those who benefit from the cut in the 50p tax rate next year, 86% will be men and 14% women

This Council resolves:

- To write to the chancellor asking that he <u>supports the Liberal Democrats campaign</u> to cut workers income tax bill by a further £150 a year, so people will pay on average £700 a year less in tax than they did under the Labour Government.cancels the proposed cut in the top rate of income tax being introduced in April 2013

-To ask the chancellor that he use the autumn statement to reinstate working tax credits for low paid households working fewer than 24 hours a week.

Proposer: Cllr Richard Wilson

Seconder: Cllr Ed Butcher

Amended motion read as follows:

- With many low and middle income families struggling with the impact of the recession and rising household costs, it is right for the Government to prioritise cutting the income tax bill of workers across the UK, which for the average worker means a cut in their bill of £550 a year.

- This is particularly important given the number of low income households with children in Haringey

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-The overall impact of the tax changes, mean the burden falls most heavily on the top 20% of the population.

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This Council resolves:

- To write to the chancellor asking that he supports the Liberal Democrats campaign to cut workers income tax bill by a further \pounds 150 a year, so people will pay on average \pounds 700 a year less in tax than they did under the Labour Government.