



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

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BY Jane Hutt, Minister for Finance

In November last year, the UK Government confirmed their broad acceptance of the recommendations of the first part of the UK Government's Silk Commission, and introduced the Wales Bill to Parliament in March this year. The Wales Bill is now making its way through the UK Parliament and, as well as providing the ability to borrow to fund investment, will enable the Assembly to legislate for a replacement to Stamp Duty Land Tax and Landfill Tax. These taxes will cease to operate in Wales from April 2018.

This will be an historic change for Wales. The Welsh Government and Welsh Assembly will have the ability to develop taxes in Wales which are suited to Welsh circumstances and Welsh priorities. I have been clear that my principles for these new taxes are that they will be fair to businesses or individuals who pay taxes; be simple with clear rules which seek to minimise compliance and administration costs; support growth and jobs, which will in turn help tackle poverty; and provide stability and certainty to tax payers, with changes subject to proper consultation with stakeholders.

The First Minister yesterday confirmed that we will be introducing legislation on tax collection and management in this Assembly term. The legislation on tax collection and management will provide a clear and strong governance framework for the administration of Welsh taxes. It will establish a lean corporate body, operationally separate from Welsh Ministers, which will have legal responsibility for collection and management of Welsh taxes, and will ensure that the taxes are collected and managed efficiently and effectively. The bill will also ensure that we have processes and procedures to protect taxpayers and their rights in the full and proper payment of these Welsh taxes. I will be publishing a White Paper on these legislative proposals on 16 September this year. This is one of the first steps in establishing a Welsh Treasury.

I am expecting that the legislation on tax collection and management will be introduced in summer 2015. The tax collection and management powers should rightly be understood in the context of the specific taxes that they will be used to collect, so, in

spring 2015, I will be publishing consultations on a replacement to Stamp Duty Land Tax and a replacement to Landfill Tax. It is really important that we develop our taxes in a way that is right for Wales, and so we will consult openly and widely at this stage, with a view to preparing the ground for legislation early in the next Assembly term. I anticipate that this timing will enable us to ensure that the primary and secondary legislation to establish these taxes is passed in time to fully implement them before the go-live date of April 2018.

I have worked closely with my Tax Advisory Group in developing our approach and proposals, and will continue to engage them fully as we progress towards legislation.