**WRITTEN STATEMENT**

**BY**

**THE WELSH GOVERNMENT**

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| **TITLE** | **Publication of Welsh rates of income tax outturn statistics**  |
| **DATE** |  **6 July 2023** |
| **BY** | **Rebecca Evans MS, Minister for Finance and Local Government**  |

HMRC has published the third set of annual outturn statistics for the Welsh rates of income tax.  This marks another important step in the tax devolution process in Wales. The outturn statistics show that the Welsh rates of income tax in 2021-22 raised £2,384m, up by £244m or 11.4% on 2020-21.

A link to the statistics can be found at:

[Scottish and Welsh Income Tax Outturn Statistics - GOV.UK (www.gov.uk)](https://www.gov.uk/government/collections/scottish-and-welsh-income-tax-outturn-statistics)

The income tax outturn statistics provide both the Welsh rates of income tax revenues and the equivalent income tax revenues for the rest of UK. The outturn figures will be used to calculate a final block grant adjustment for 2021-22, once a series of population estimates consistent with the 2021 Census is published by the Office for National Statistics in September.

The difference between the income tax revenues and block grant adjustments used in the Welsh Government’s 2021-22 Budget and the final outturn will be used to calculate a reconciliation amount. This will be applied to the Welsh Government’s 2024-25 block grant allocation. Based on existing population estimates, the reconciliation is likely to be positive.

When the revised population estimates are published in September, the Welsh Government and UK Government will publish a jointly agreed statement detailing the reconciliation amount and how it has been calculated. This is intended to ensure full transparency in, and to help improve wider understanding of the Fiscal Framework.