# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Publication of migration behaviours of income taxpayers**  |
| **DATE**  | **24 April 2024** |
| **BY** | **Rebecca Evans, Cabinet Secretary for Finance, Constitution & Cabinet Office** |

Today HMRC has published two analytical reports which use income tax data to explore migration. The analysis was commissioned to inform devolved income tax policy making.

The first publication, [Intra-UK migration of individuals: movements in numbers and income,](https://www.gov.uk/government/publications/labour-market-participation-and-intra-uk-migration-of-taxpayers/intra-uk-migration-of-individuals-movements-in-numbers-and-income) was commissioned by the Welsh and Scottish Governments. It uses a newly developed longitudinal dataset to track the movements of individuals and income declared to HMRC across Scotland, Wales and other parts of the UK over time based on administrative tax data. The analysis covers the years 2009-10 to 2021-22 and finds that both Wales and Scotland saw a gradual increase in net in-migration of taxpayers from the rest of the UK from 2016-17 onwards, with a larger uptick in 2020-21 and 2021-22 – possibly in response to the COVID pandemic.

The second publication[, Exploring impacts of 2018-19 Scottish Income Tax changes on intra-UK migration and labour force participation](https://www.gov.uk/government/publications/labour-market-participation-and-intra-uk-migration-of-taxpayers/impacts-of-2018-to-2019-scottish-income-tax-changes-on-intra-uk-migration-and-labour-market-participation) uses econometric analysis to estimate responses to the 2018-19 Scottish Income Tax changes. Specifically, it estimates migration between Scotland and other parts of the UK, and whether people entered or left the labour market. Although there was a net increase in migration following 2018-19, there is some evidence of a fall in net migration to Scotland for individuals earning over the Higher Rate threshold, with the size of the fall increasing with income levels. This suggests that migration would have been higher in the absence of Scottish Income Tax changes.

I welcome these additions to the evidence base relating to the behaviour of income tax payers across the UK. The development of this evidence base provides important information to help guide future tax policy decisions.