# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Welsh Rates of Income Tax (WRIT) - Publication of Service Level Agreement and HMRC Annual Report (2022)**  |
| **DATE**  | **29 March 2023**  |
| **BY** | **Rebecca Evans MS, Minister for Finance and Local Government**  |

The Wales Act 2014 gives the Senedd the power to set Welsh Rates of Income Tax (WRIT).

A Service Level Agreement (SLA) exists between Welsh Government and HMRC for the operation of WRIT. It sets out the requirements, timescales and performance measures. Adherence to the SLA ensures a consistent quality of service to Welsh taxpayers and allows HMRC and the Welsh Government to meet their respective responsibilities in respect of operating Welsh rates of income tax.

Welsh Government officials and HMRC have undertaken a review of the SLA to ensure it remains fit for purpose. As part of this process some changes and revisions have been made. The changes include:

* General updates clarifying roles and requirements on areas such as data sharing and bi-annual reviews
* Updated timescales for statistical publications
* Changes to the operation of WRIT rechargeable costs framework.

The SLA requires HMRC to report annually on the operation of WRIT. The latest report covering the 2021-22 tax year has also been published. The report sets out information on HMRC’s administration of WRIT, covering:

* Identification and assurance of Welsh taxpayers
* Compliance activity
* The collection of and accounting for WRIT revenues
* Customer service and support
* Data for WRIT rate setting and forecasting
* Governance and oversight of WRIT
* The costs of delivering WRIT and recharging of HMRC costs.

The documents can be found at:

[Service level agreement for operation of Welsh rates of Income Tax by HMRC - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/service-level-agreement-for-operation-of-welsh-rates-of-income-tax-by-hmrc)

[Welsh rates of Income Tax – HMRC annual report 2022 - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/welsh-rates-of-income-tax-hmrc-annual-report-2022)