# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Welsh rates of income tax: Wales Act 2014 Commencement Order** |
| **DATE** | **24 July 2018** |
| **BY** | **Prof. Mark Drakeford AM, Cabinet Secretary for Finance** |

I have previously confirmed to members that the Welsh Government will introduce Welsh rates of income tax from April 2019.

Following consultation with Welsh Treasury, HM Treasury Ministers tabled a Parliamentary order on 23 July to commence Wales Act 2014 provisions relating to implementation of Welsh rates of income tax. The Wales Act 2014 (Commencement No.2) Order 2018 No.892 has been passed and published today: <http://www.legislation.gov.uk/id/uksi/2018/892>

The Order confirms 2019-20 as the first tax year for Welsh rates of income tax and commences provisions requiring the National Audit Office to audit HMRC on the associated preparations. The Order makes amendments to the Scotland Act 1998 in relation to the definition of a Scottish taxpayer to ensure an individual cannot be a Welsh taxpayer and Scottish taxpayer in the same year. It makes special provision for Welsh parliamentarians, who are Welsh taxpayers no matter where they live also.

HMRC will retain responsibility for the collection and management of Welsh rates of income tax and the UK Government will continue to retain full responsibility for taxing income from savings and dividends. The National Assembly for Wales will set the rates annually through a budget motion, which will be made alongside the Welsh draft Budget.

Welsh Treasury officials are continuing to work with HMRC on the detailed arrangements for the implementation of Welsh rates of income tax to ensure a smooth transition for Welsh taxpayers and businesses. Every income taxpayer living in Wales will receive a letter from HMRC notifying them of the changes and I will make further announcements on the preparations this autumn.

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Assembly returns I would be happy to do so.