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The Scottish Parliament
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Dear Kenneth

SCOTTISH RATE OF INCOME TAX: CALL FOR EVIDENCE

I welcome the Finance Committee's call for views on the Scottish rate of income tax as part of its scrutiny of the Draft Budget 2016-17.

Setting a Scottish rate of income tax under the Scotland Act 2012

As your call for evidence indicates, the Scottish Government will propose a Scottish rate of income tax (SRIT) within its draft Budget for 2016-17. I am considering the impact of the later than expected UK Spending Review publication and will liaise with you regarding the Budget timetable in due course.

The Draft Budget will include a commentary on the expected income, setting out the tax receipt forecast and the rate on which it is based.

Raising awareness of the Scottish rate of income tax

The Committee is aware that SRIT forms part of the UK income tax system and will be administered along with the rest of the income tax system by Her Majesty's Revenue and Customs (HMRC). Interaction with taxpayers who are liable to pay SRIT, including the provision of information, is, therefore, primarily a matter for HMRC.

The Scottish Government, however, continues to be represented on the relevant HMRC project and programme boards and is consulted on options and decisions that have a potential impact on Scottish taxpayers and employers, including matters of communication and engagement. The activity that HMRC has undertaken so far - and has planned - to raise awareness of SRIT is designed to ensure that all those affected by the introduction of the Scottish rate have the information they need at the appropriate time.

I understand that HMRC are providing the Committee with a written response which sets out its programme of activity. I will give careful consideration to the views expressed to the Committee as a result of this call for evidence and any conclusions that the Committee reaches.



JOHN SWINNEY