

## Devolved taxes: a policy framework

### Response by the Chartered Institute of Taxation and the Low Incomes Tax Reform Group

#### 1 Introduction

- 1.1 We welcome the opportunity to respond to the Scottish Government consultation, *Devolved taxes: a policy framework*. This is a joint response by the Chartered Institute of Taxation (CIOT) and our Low Incomes Tax Reform Group (LITRG).
- 1.2 In order to inform our response, CIOT undertook a survey of members of CIOT, the Association of Taxation Technicians (ATT) and the Institute of Chartered Accountants of Scotland (ICAS). This was aimed at members based in Scotland or those with an interest in Scottish devolved taxes. We received 130 responses. We understand that this is a reasonable response rate for a survey – there are approximately 2,000 CIOT and ATT members in Scotland. We did not offer an incentive to members to participate, so this illustrates the willingness of our members to engage in consultation. We have therefore used the responses received to inform our submission. We are making a summary of the responses to the survey accessible on our websites together with a copy of this response.<sup>1</sup>
- 1.3 The CIOT is an educational charity, and our primary purpose is to promote education in taxation. LITRG is an initiative of the CIOT to give a voice to the unrepresented taxpayer. One of the key aims of the CIOT and LITRG is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. Our comments and recommendations on tax issues are made solely in order to achieve this aim; we are a non-party-political organisation.
- 1.4 Our stated objectives for the tax system include:
- A legislative process which translates policy intentions into statute accurately and effectively, without unintended consequences.
  - Greater simplicity and clarity, so people can understand how much tax they should be paying and why.

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<sup>1</sup> These are accessible from the landing page for CIOT submissions: <https://www.tax.org.uk/policy-technical/submissions> and the landing page for LITRG submissions: <https://www.litrg.org.uk/latest-news/submissions>

- Greater certainty, so businesses and individuals can plan ahead with confidence.
- A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented).
- Responsive and competent tax administration, with a minimum of bureaucracy.

1.5 In addition to asking our members for their comments on the consultation document, we also took the opportunity to ask them about the impact of tax devolution on their day-to-day work and about using the Adam Smith principles to underpin the Scottish tax system.

## **2 Executive summary**

2.1 We broadly welcome the use of the Devolved Tax Collaborative (DTC) as an annual tax forum and agree with its stated purpose. We think it will be particularly helpful as an aid to consideration of issues at a high level and early stage, and as a way of engaging a broad range of stakeholders.

2.2 Many tax professionals prefer to engage on tax policy through their professional body. This does not mean however that resource should not be given to public awareness raising. Indeed, in order to gain meaningful input from wider stakeholders without an expertise in tax, this will be essential, as it can be difficult for someone to engage meaningfully in a consultation unless they have a reasonable grasp, not only of the issue itself, but also wider contextual considerations.

2.3 When consulting on tax proposals or changes, we do not think this should be done collectively in one document. The approach should either be to vary the approach depending on the proposals involved, or to use an individual approach. An annual, certain cycle for consultations would be helpful in that stakeholders would know when the consultation exercise will occur and should be able to plan accordingly. We also think the Scottish government should make more use of stakeholder meetings during consultation periods.

2.4 We think that overall the proposed policy and legislative cycle looks sensible. It is important that there is a structured process and that the proposed policy and legislative cycle is the norm. This will help to deliver a tax regime that is fair, simple and certain, as well as avoiding unintended consequences for all stakeholders, including taxpayers and the Scottish government. We also think that having a Finance Bill as part of the policy and legislative cycle would assist in dealing with care and maintenance changes, as well as changes driven by policy development, Revenue Scotland and Tribunal decisions and UK government announcements.

2.5 We think that while there needs to be a regular, certain cycle for policy and legislation, there should also be flexibility available to the Scottish government so that it is possible to deal with urgent issues that arise outside the parameters of the normal cycle. It is important that the Scottish government can be held to account if they do not follow the standard tax policy framework, though, to ensure the flexibility is not used inappropriately. One possibility might be a requirement for a ministerial statement to explain why the process has not been followed in a particular instance.

## **3 General comments**

3.1 We carried out a survey of CIOT, ATT and ICAS members in Scotland with an interest in Scottish taxes. There were 130 respondents to the survey – 88 indicated that they were CIOT members; 52, ATT members; and 35,

ICAS members.<sup>2</sup>

- 3.2 The survey asked for views on the consultation document, in order to inform our response. In addition, we asked about the impact of the devolved taxes on our members' day-to-day work, and whether they see this as changing with further devolution. We also asked for their thoughts on the aim of the Scottish government to achieve a tax system underpinned by Adam Smith's principles.
- 3.3 In terms of the impact of the current devolved taxes on their day-to-day work, when considering factors such as cost, time, workload, processes, and training needs, the responses suggested that on the whole there has so far been some or no impact (of 99 respondents 45 indicated 'some impact', 43 'no impact' and 11 'a lot of impact'). This is likely because of the particular taxes that are devolved, Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax (SLfT). Many of our members deal with income and corporate taxes, and do not carry out work involved with the devolved taxes. Several respondents added comments setting out the way in which their day-to-day work has been affected by the current devolved taxes. Some referred to the need for training or gaining familiarity with LBTT, with some also pointing out the need to understand the legislative differences between LBTT and Stamp Duty Land Tax (SDLT), and the effect that this has had on costs, time spent on client work and staff resourcing. There was also an indication from a few respondents that while SDLT was predominantly dealt with by tax lawyers and solicitors, tax advisers (in accountancy firms) are finding that they are being asked to assist with and give advice in relation to LBTT.
- 3.4 In terms of devolved taxes in the future, taking into account not only LBTT and SLfT, but also Air Departure Tax (ADT) and Aggregates Levy (AL), the majority of respondents indicated that the degree of impact on their day-to-day work was likely to be unchanged (77 of 100 respondents).
- 3.5 As part of the survey, we asked members whether or not they thought that the Scottish government can continue to achieve a tax system underpinned by the Adam Smith principles of proportionality, certainty, convenience and efficiency. We have previously indicated that although we agree with these principles, they sometimes conflict with one another and it can be necessary to draw a balance between them.<sup>3</sup> It is also necessary to consider the tax system holistically, rather than each tax individually when seeking to create a system underpinned by these principles – for a system that incorporates devolved, shared, assigned and reserved taxes, a holistic approach can be particularly difficult to adopt. Of 91 respondents to this question, there was an almost even split, with 49 answering that they thought this was achievable, but 42 replying that they did not think this could continue to be achieved.

#### **4 Q 1: Do you welcome the use of the DTC as an annual tax forum and agree with its stated purpose?**

- 4.1 96 members responded to our survey in respect of this question. Of these, 69 (71.88%) indicated that they welcomed the DTC and its purpose.
- 4.2 We think that the DTC may prove particularly useful when considering high-level and early-stage issues, such as broad discussions about potential new taxes. It would not be suitable as a forum for people to raise issues

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<sup>2</sup> Respondents were asked to indicate all that applied, so the total number of memberships is 175, as some respondents are members of more than one of the professional bodies.

<sup>3</sup> Paragraphs 2.1 ff. and 3.1 ff. of the joint CIOT, LITRG and ATT response to the call for evidence on A Scottish Approach to Taxation issued by the Finance and Constitution Committee of the Scottish Parliament in June 2016: <https://www.tax.org.uk/policy-technical/submissions/scottish-approach-taxation-ciot-litrg-att-response>

with operational or technical issues with existing devolved taxes.<sup>4</sup> Ensuring that the DTC involves as broad a spectrum of stakeholders as possible would enhance the DTC when considering high-level issues.

- 4.3 One concern is that holding one event annually might exclude some stakeholders, particularly if the event is held in the same location each year. It might mean that views from certain sectors or regions are less likely to be represented. This is a particular concern given the desire to attract a broad spectrum of stakeholders, many of whom do not have a primary interest in tax, but who may nevertheless offer valuable insights. Third sector organisations are, in general, stretched, and they may find it difficult to resource attendance, whether due to lack of personnel or cost. It may therefore be necessary to consider means of facilitating attendance for certain stakeholders.
- 4.4 Consideration may also need to be given to options such as, the use of other channels for engagement, varying the location of the DTC and making DTC materials available online.

## **5 Q 2: Do you have any other preferences as to how the Scottish Government should carry out engagement on the fully devolved taxes?**

- 5.1 We asked our members whether they would prefer to engage on devolved taxes through their professional body, their employer or on an individual basis. Of 94 respondents to this question, 76 (80.85%) indicated a preference for engaging with the Scottish government through their professional body. The remainder was split equally (9 each) between the other two options.
- 5.2 In addition, we asked members for their views on this specific question in the consultation document. There were a few comments that we would like to share in this response. Following on from our question as explained at paragraph 5.1 above, one respondent indicated that they would like to make representations both through their professional body and on an individual basis. Other responses included the need to consult with tax professionals and take notice of their views, public awareness raising and consultation, periodic update newsletters to tax professionals, forums and the use of a variety of mechanisms, pointing out that if the Scottish government gives meaningful consideration to feedback, this is likely to improve engagement.
- 5.3 From the perspective of LITRG, we note that engagement with the general public and unrepresented taxpayers directly may face obstacles or require additional consideration. For example, it can be difficult for someone to engage meaningfully in a consultation unless they have a reasonable grasp, not only of the issue itself, but also wider contextual considerations.
- 5.4 The Scottish Taxes Policy Forum (STPF), a joint initiative by CIOT and ICAS, has published a paper and also attended events to try to raise the profile of the devolved taxes and open a wider debate.<sup>5</sup> Other options for the Scottish government might be to work with the STPF and perhaps charities to organise policy events to try to attract a broader audience. In addition, the use of simple online polls and surveys may be worthwhile; indeed these have been used by Committees of the Scottish Parliament.<sup>6</sup> The Welsh government made use of a survey/poll when thinking about possible new taxes for Wales.

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<sup>4</sup> In any case, Revenue Scotland already holds separate forums for LBTT and SLfT, to aid stakeholder discussion on such issues.

<sup>5</sup> <https://www.tax.org.uk/media-centre/press-releases/press-release-new-poll-discovers-more-four-fifths-scots-lack>

<sup>6</sup> One example is the recent survey on the Workplace Parking Levy, created by the Rural Economy and Connectivity Committee: <https://www.smartsurvey.co.uk/s/WorkplaceParkingLevy/>

**6 Q 3: Do you support the Scottish Government's proposed approach to tax consultations, in particular consulting on issues collectively rather than on an individual basis?**

- 6.1 Of 91 respondents to our survey in respect of this question, around a quarter (23 – 25.27%) think consultations should be carried out collectively, while 19 (20.88%) think they should be carried out individually. The largest group (49 – 52.85%) think that the approach should depend on the tax changes involved.
- 6.2 We think the section 'Tax consultations' commencing on page 14 of the consultation document is rather confusing. It is not completely clear whether the proposal is to incorporate all issues for consultation in a single consultation document or to issue separate consultations (say for individual taxes) at the same time.
- 6.3 If tax consultations were to incorporate all issues for consultation in one consultation document, this could prove unwieldy, both for potential respondents and for Scottish government. It might put off stakeholders from responding if they cannot easily locate the part(s) relevant to them.
- 6.4 Even if there are separate consultation documents, such that stakeholders for whom only one tax is relevant find consultations easier to navigate, the approach of consulting on all tax issues simultaneously could place significant time pressure on certain stakeholders, for example, professional bodies, who may wish to respond to all consultations and on all issues.
- 6.5 Nevertheless, having an annual, certain cycle for consultations would be helpful in that stakeholders would know when the consultation exercise will occur and should be able to plan accordingly.
- 6.6 Our preference would be for separate consultation documents. Not only will this prove easier to manage for those only interested in one tax, meaning that it is likely to improve engagement, but also it will mean that key changes will not be 'lost' in one large consultation.
- 6.7 We think it would be a sensible approach for Scottish government to hold more stakeholder meetings when consulting on tax changes, whether with individual organisations or through wider events for multiple organisations, such as the three events held alongside this consultation.
- 6.8 Respondents to this question within our survey could also add comments. These included the suggestion that there should be consultation with the tax profession on proposed changes at an early stage before any announcements are made, that there should be no changes without consultation and that it would be preferable to consult on measures on an individual basis, particularly where they are significant changes to ensure transparency. Consultation should also give sufficient time for stakeholders to carry out effective scrutiny and make comments – with time also for the Scottish government to give due consideration to the consultation responses.

**7 Q 4: What are your views on the proposed policy and legislative cycle?**

- 7.1 We think that overall the proposed policy and legislative cycle looks sensible. It is pleasing to note that the proposed cycle appears to incorporate some of the 10 steps towards making tax policy better, as set out in *Better Budgets – Making tax policy better*, a report published jointly by CIOT, the Institute for Fiscal Studies

(IFS) and the Institute for Government (IfG) in January 2017.<sup>7</sup> These include Step 4: Start consultation at an earlier stage, Step 5: Develop more active approaches to consultation, Step 9: Enhance Parliament's (and the public's) ability to scrutinise tax proposals and Step 10: Institutionalise and enable evaluations of tax measures.

7.2 It is worth bearing in mind the desired end point in the *Better Budgets* report, as we think these are good aims for the Scottish process too:

A Budget process that contains fewer measures, which are better thought out – and can be implemented efficiently by HMRC without imposing unreasonable burdens on taxpayers. A better public debate on the big tax choices – with politicians making informed decisions and the public understanding the kinds of long-term choices that must be faced. Greater stability in the areas of the tax system where taxpayers – individuals and business – need to make long-run decisions. A tax system that commands public support – and is robust enough to raise the money we need to finance the state we want.<sup>8</sup>

If the Scottish government sticks to a sensible policy and legislative cycle, such as the one proposed in the consultation document, it should go some way to achieving this.

7.3 We think that the timescale as set out for phases 1 and 2 (May 2020 to December 2021, that is 18 months) is the minimum period of time required for these parts of the cycle in normal circumstances. We agree that phase 4, the post-implementation review, should take place a few years following the legislation taking effect. In relation to phase 4, the post-implementation review, we think this is a key part of the cycle, as it is essential that there is a means of ensuring legislation meets the policy aims. If the post-implementation review shows that this is not the case, it is important that steps are taken to remedy this, either through removing or amending provisions.

7.4 We think that while there needs to be a regular, certain cycle for policy and legislation, there should also be flexibility available to the Scottish government so that it is possible to deal with urgent issues that arise outside the parameters of the normal cycle (see our comments in paragraphs 10.1 ff. below).

7.5 It is important that there is a structured process and that the proposed policy and legislative cycle is the norm however. This will help to deliver a tax regime that is fair, simple and certain, as well as avoiding unintended consequences for all stakeholders, including taxpayers and the Scottish government.

7.6 In relation to this, we would point out that the recent 'eleventh hour' agreement between the Scottish government and the Scottish Green Party, in order to ensure the passage of the Budget (Scotland) (No. 3) Bill,<sup>9</sup> would not fit in with this proposed policy and legislative cycle. We do not think that it would be appropriate for this to be viewed as falling within the exceptions discussed in section 6 of the consultation document either. This agreement has resulted in amendments (at Stage 2 of the Bill) to the Transport (Scotland) Bill that would give councils the power to introduce a Workplace Parking Levy.<sup>10</sup> This has occurred just 11 weeks after the Budget (Scotland) (No. 3) Bill was passed, and only 11 days were set aside for public consultation.<sup>11</sup> This means the policy has not only undergone no consideration at policy consultation level,

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<sup>7</sup> <https://www.instituteforgovernment.org.uk/publications/better-budgets-making-tax-policy-better>

<sup>8</sup> Page 3, <https://www.instituteforgovernment.org.uk/publications/better-budgets-making-tax-policy-better>

<sup>9</sup> <https://www.parliament.scot/parliamentarybusiness/Bills/110421.aspx>

<sup>10</sup> <https://www.parliament.scot/newsandmediacentre/111806.aspx>

<sup>11</sup> The Budget (Scotland) (No. 3) Bill was passed on 29 March 2019 (date of Royal Assent); the amendment to the Transport (Scotland) Bill was proposed and the public survey launched on 9 May 2019. The public survey closed on 20 May 2019.

but the scrutiny of the legislation is severely curtailed. In terms of the proposed new process as set out in the consultation document, it has skipped straight to phase 3 of the policy and legislative cycle.

- 7.7 We recognise the constraints imposed on a government when it does not command a majority in the Scottish parliament, so we think it is important that the policy framework reflects and takes account of this. In part, we think that this can be dealt with by adopting the full approach recommended in the *Better Budgets* report,<sup>12</sup> that is, early blue-sky consultation at the outset, before options have hardened and later detailed consultation. This might mean that late stage bargaining is unnecessary and if necessary would not cover such wide-ranging points. In the context of such a consultative approach, if nevertheless political agreement on a significant point could not be obtained until a very late stage, we think it only sensible that there be an explicit exception recognised in the framework.
- 7.8 We asked our members whether they support the introduction of a Finance Bill as part of this cycle, and if so, whether it should be annual, every two years or a different frequency. Of 89 respondents, 55 (61.80%) support the introduction of a Finance Bill. Of 84 respondents, 56 (66.67%) think there should be an annual Finance Bill, and 15 (17.86%) think there should be a Finance Bill every two years.
- 7.9 Comments on a Finance Bill included that such a Bill should make it easier to find the relevant tax changes, provided it is used rather than putting changes in secondary legislation. It would also provide the opportunity to comment on proposals before they are finalised and might also provide the opportunity for informed debate before proposals are enacted. There was a note of caution sounded in several comments, that care should be taken to resist the temptation to make changes for the sake of it.
- 7.10 In relation to the need for a Finance Bill as part of the policy and legislative cycle, we think that this would assist in dealing with care and maintenance changes, as well as changes driven by policy development, Revenue Scotland and Tribunal decisions and UK government announcements.

## **8 Q 5: What are your views on how frequent the cycle should occur – annually or every two years?**

- 8.1 We asked our members whether they agreed with the timescales and how frequently they thought the cycle should occur. Of 92 respondents, 60 (65.22%) indicated that they agreed with the timescales and thought the process should be annual. 12 (13.04%) agreed with the timescales and thought that the cycle should be every two years. 7 (7.61%) did not agree with the proposed timescales.
- 8.2 We think that ideally the cycle would be annual, although it may appear that this is unnecessary at present with there being only two devolved taxes. However, we think that there are always likely to be care and maintenance changes, simply because when legislation is put into practice, it is often easier to then spot ways in which it does not quite operate as intended. Moreover, there is also likely to be the need for changes which can arise for a number of reasons, not just issues directly related to the devolved taxes themselves. For example, policy or legislative changes may be required as a result of changes to reserved taxes, changes to other (non-tax) reserved and devolved policy areas and developments in markets, business etc. Two years can be a long time in tax terms, meaning that a cycle that only happened every two years might prevent the Scottish tax system from keeping up with the general environment.
- 8.3 Whether an annual or two-yearly approach is adopted, it is essential that the process is regular and

<sup>12</sup> Page 3 and page 42 ff., <https://www.instituteforgovernment.org.uk/publications/better-budgets-making-tax-policy-better>

predictable. It must be clear to stakeholders, including the general public, how the cycle works and there should be clarity around how to engage with the process. It might be helpful to have guidance available on the Scottish government and Scottish parliament websites explaining the policy and legislative cycle, how to participate and how policy interacts with the Block Grant and Fiscal framework.

**9 Q 6: Do you consider the existing documents that are published, and the Scottish Government’s approach to drafting them, as a sufficient means of clarifying the intention and impacts of a policy?**

9.1 Our members had mixed views in respect of this question. Of 91 respondents, 25 answered yes, 24 answered no, but the majority, 39, were unsure. This perhaps reflects that the accompanying documents are not used or studied closely by tax practitioners, even those with an interest in legislation and policy, due to lack of time, for example.

9.2 Discussion with a smaller group of members who examine the documents more closely revealed views including that the documents probably contain sufficient information, for example, in respect of the policy memoranda. There are concerns however, in relation to the quality, particularly as to whether the sources of data are always adequate, for example in respect of the financial memoranda. It was noted that in some areas there can be a lack of published data, for example in relation to certain characteristics, including equalities characteristics, where the publication of disaggregated data might make it possible for households, individuals or businesses to be identified. Indeed for some characteristics, there is no Scotland-specific data available, and it is necessary to extrapolate from UK-wide datasets.

9.3 We think it is important that forecasts for the financial memoranda that accompany legislation are carried out independently of Scottish government, that is, by the Scottish Fiscal Commission (SFC). We note that the SFC decided not to carry out forecasts for the recently published Non-Domestic Rates (Scotland) Bill, on the basis that several provisions relate to enabling legislation, and specific details have yet to be set out – this will be done in future secondary legislation.<sup>13</sup>

9.4 It was suggested that part of phase 4, the post-implementation review, in the proposed new cycle should be to assess how close to actual outcomes and impacts the initial assessments were, and whether the policy has achieved (or is on its way to achieving) the proposed intention.

**10 Q 7: Do you agree with the Scottish Government’s approach to the circumstances set out in this section?**

10.1 Yes, we agree that the Scottish government needs to have the ability to make changes at short notice, and that, on occasion, it may be appropriate for them to be retroactive or retrospective (although this should not be the norm, even for these exceptions). We think that the approach set out in section 6 is broadly correct. A checklist or tick box approach would probably be too restrictive and could prevent the Scottish government from adapting to changing circumstances.

10.2 Some stakeholders might feel more comfortable, though, if the Scottish government were to commit to not making inappropriate use of such powers, and it is important that the Scottish government can be held to account if they do not follow the tax policy framework. One possibility might be a requirement for a

<sup>13</sup> <https://www.parliament.scot/parliamentarybusiness/Bills/111337.aspx>



ministerial statement to explain why the process has not been followed.

10.3 In relation to this, we note that reference is made to the UK approach to tax policy making on page 12 of the consultation document. In practice, this is often ignored, resulting in bad experiences for all concerned. For example, a few policies have recently skipped stage 1 of the UK process, such as Making Tax Digital. This means the policy has been set in stone, before engaging in consultation. There have also been examples of policies being introduced with immediate effect, such as the Structural Buildings Allowance, despite little detail being available for taxpayers and the policy effectively still being in a state of flux.<sup>14</sup> Following the Budget announcement, and the measure taking immediate effect, there was consultation on the HMRC Technical Notice, and when the draft secondary legislation was published alongside the Spring Statement in March 2019 the introductory note highlighted that the UK government had changed its approach in a few areas as a result of the consultation.<sup>15</sup>

10.4 There have also been instances in Scotland, where a full consultation process has not been followed. While we recognise the difficulties that parliamentary arithmetic can create, the announcement of the introduction of entirely new measures without proper consultation is not the ideal way in which to create tax policy. We refer to our earlier comments at paragraph 7.1 ff.

## 11 Acknowledgement of submission

11.1 We would be grateful if you could acknowledge safe receipt of this submission, and ensure that the Chartered Institute of Taxation is included in the List of Respondents when any outcome of the consultation is published.

## 12 The Chartered Institute of Taxation

12.1 The Chartered Institute of Taxation (CIOT) is the leading professional body in the United Kingdom concerned solely with taxation. The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.

The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries. The CIOT's comments and recommendations on tax issues are made in line with our charitable objectives: we are politically neutral in our work.

The CIOT's 18,500 members have the practising title of 'Chartered Tax Adviser' and the designatory letters

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<sup>14</sup> When the Budget announcement was made, and the allowance came into effect, there was no detailed draft legislation, only the HMRC Technical Notice: <https://www.gov.uk/government/publications/capital-allowances-for-structures-and-buildings-technical-note>

<sup>15</sup> <https://www.gov.uk/government/consultations/draft-legislation-detailing-a-new-capital-allowance-for-new-non-residential-structures-and-buildings>

'CTA', to represent the leading tax qualification.

### **13 The Low Incomes Tax Reform Group**

13.1 The Low Incomes Tax Reform Group (LITRG) is an initiative of the Chartered Institute of Taxation (CIOT) to give a voice to the unrepresented. Since 1998 LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those on low incomes. Everything we do is aimed at improving the tax and benefits experience of low income workers, pensioners, migrants, students, disabled people and carers.

LITRG works extensively with HM Revenue & Customs (HMRC) and other government departments, commenting on proposals and putting forward our own ideas for improving the system. Too often the tax and related welfare laws and administrative systems are not designed with the low-income user in mind and this often makes life difficult for those we try to help.

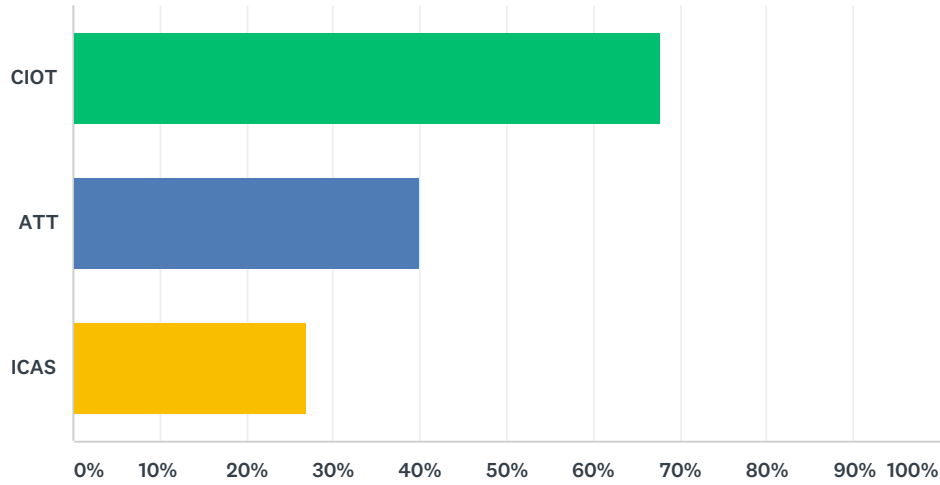
The CIOT is a charity and the leading professional body in the United Kingdom concerned solely with taxation. The CIOT's primary purpose is to promote education and study of the administration and practice of taxation. One of the key aims is to achieve a better, more efficient, tax system for all affected by it – taxpayers, advisers and the authorities.

The Chartered Institute of Taxation and the Low Incomes Tax Reform Group

6 June 2019

## Q1 Are you a member of (please tick all that apply)

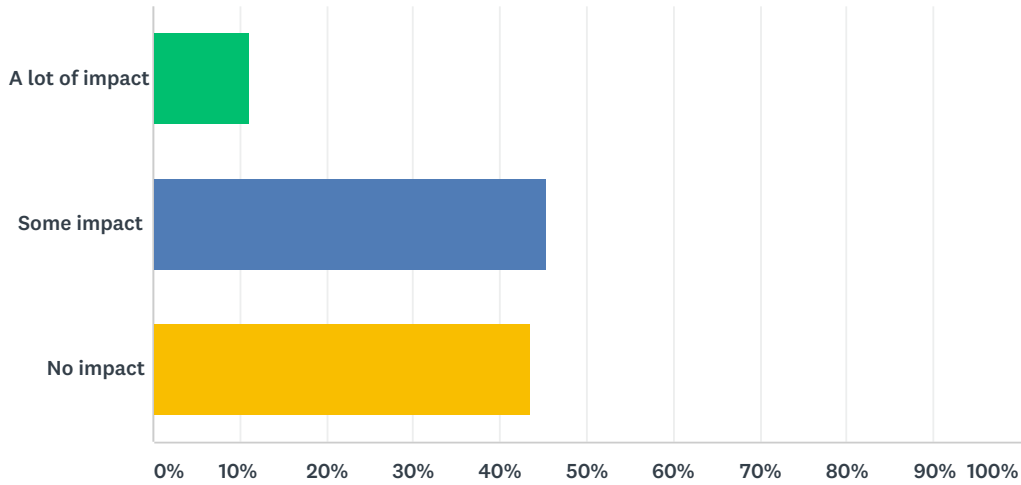
Answered: 130 Skipped: 0



ANSWER CHOICES	RESPONSES	
CIOT	67.69%	88
ATT	40.00%	52
ICAS	26.92%	35
Total Respondents: 130		

Q2 Since their introduction in 2015, what impact have the fully devolved taxes (Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax (SLfT)) had on your day-to-day work in tax (this might include factors such as cost, time, workload, processes, need for training):

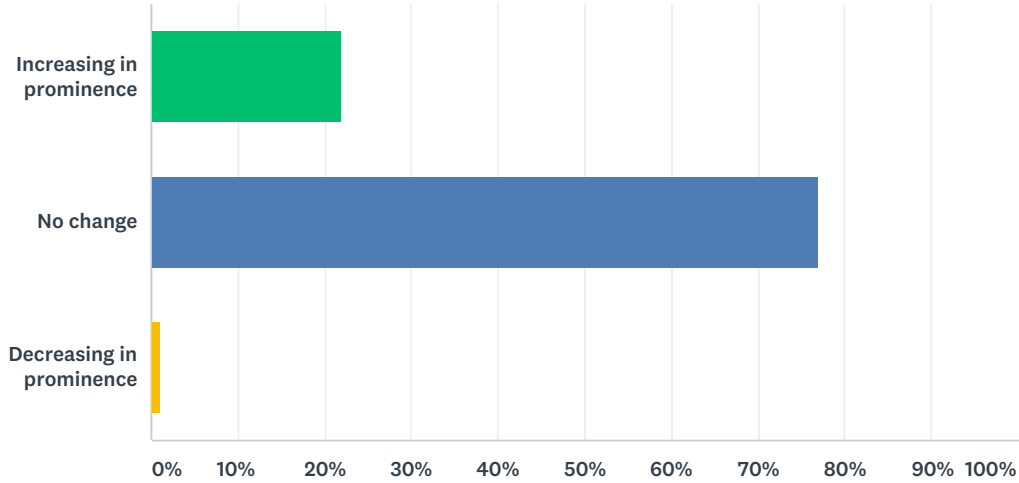
Answered: 99 Skipped: 31



ANSWER CHOICES	RESPONSES	
A lot of impact	11.11%	11
Some impact	45.45%	45
No impact	43.43%	43
TOTAL		99

Q3 Looking ahead to the future, further taxes, such as Air Departure Tax (ADT) and Aggregates Levy (AL), will also be fully devolved. Taken together, do you expect that the fully devolved taxes LBTT, SLfT, ADT & AL will impact on your work by:

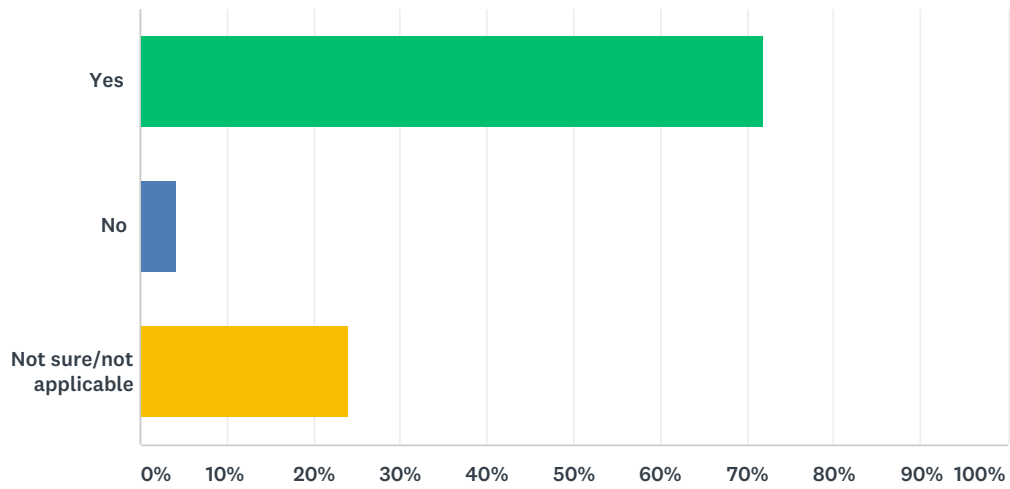
Answered: 100 Skipped: 30



ANSWER CHOICES	RESPONSES
Increasing in prominence	22.00% 22
No change	77.00% 77
Decreasing in prominence	1.00% 1
TOTAL	100

## Q4 Do you welcome the use of the DTC as an annual tax forum and agree with its stated purpose?

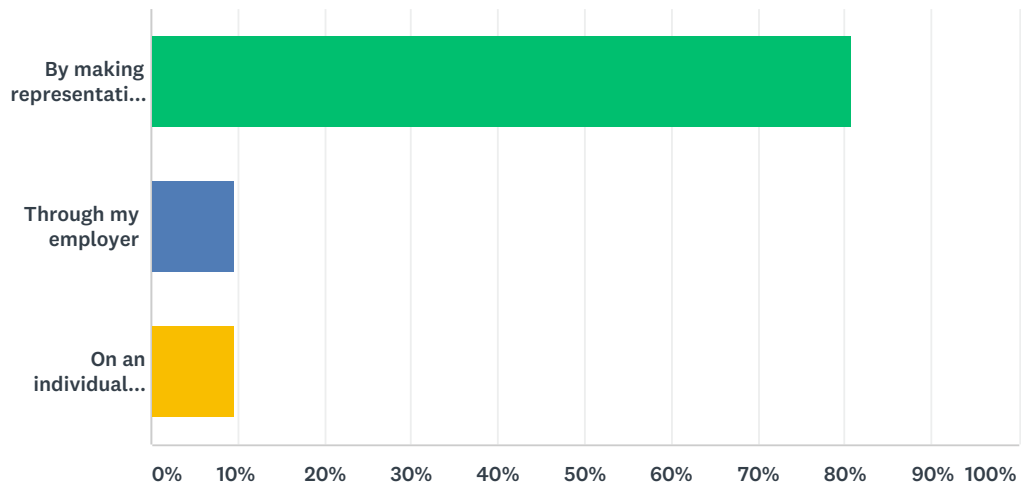
Answered: 96 Skipped: 34



ANSWER CHOICES	RESPONSES	
Yes	71.88%	69
No	4.17%	4
Not sure/not applicable	23.96%	23
TOTAL		96

## Q5 What would be your preferred method for engaging with the Scottish Government on devolved tax changes?

Answered: 94 Skipped: 36



ANSWER CHOICES	RESPONSES	
By making representations through my professional body (i.e CIOT/ATT/ICAS)	80.85%	76
Through my employer	9.57%	9
On an individual basis (i.e email/letter/consultation response)	9.57%	9
<b>TOTAL</b>		<b>94</b>

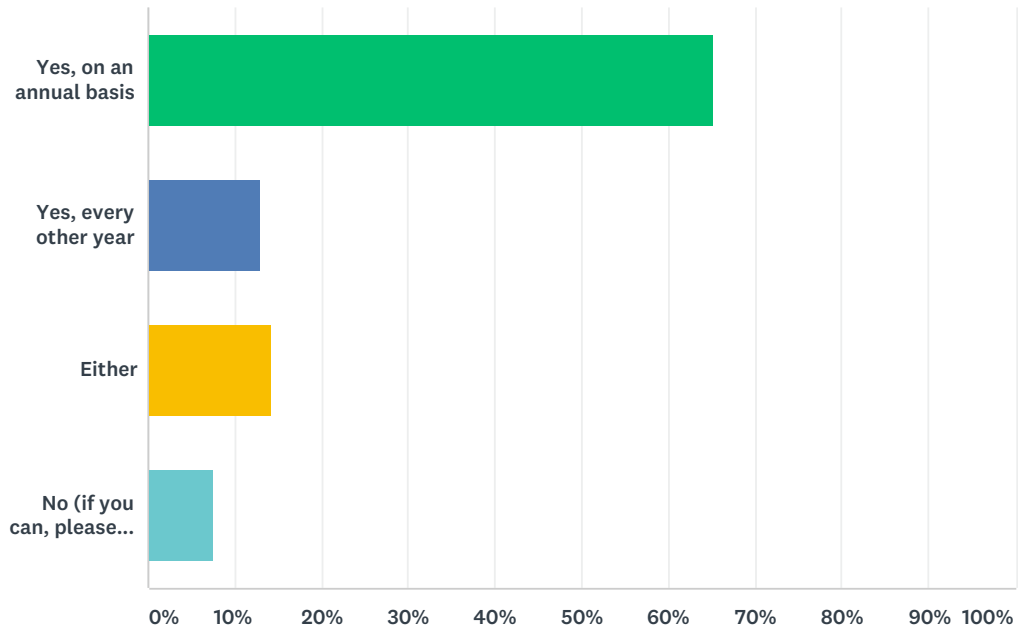
## Q6 Do you have any other preferences as to how the Scottish Government should carry out engagement on the fully devolved taxes?

Answered: 15 Skipped: 115



## Q7 Do you agree with the proposed timescales for the tax consultation?

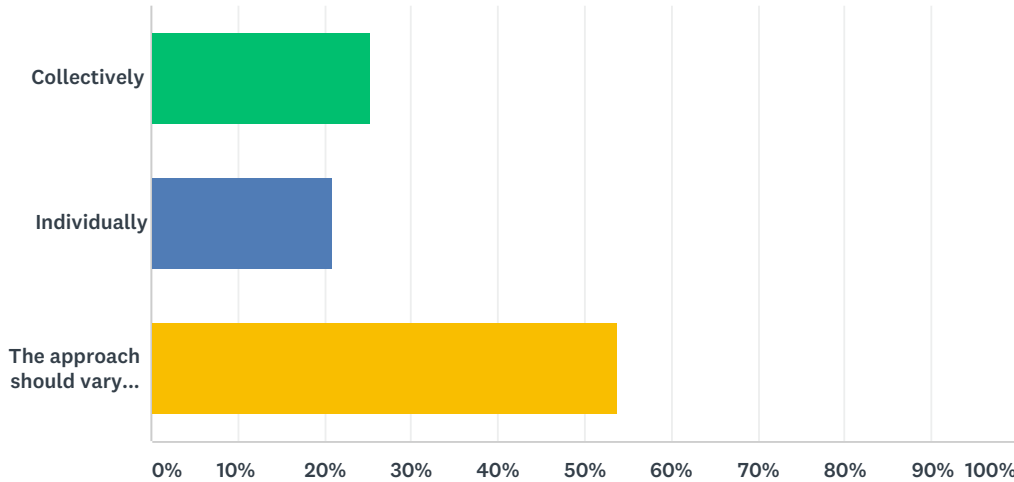
Answered: 92 Skipped: 38



ANSWER CHOICES	RESPONSES	
Yes, on an annual basis	65.22%	60
Yes, every other year	13.04%	12
Either	14.13%	13
No (if you can, please state how regularly you think changes should be consulted on)	7.61%	7
<b>TOTAL</b>		<b>92</b>

### Q8 Do you think the Scottish Government should consult on tax changes collectively as proposed (i.e. all tax proposals are contained in a single consultation) or on an individual basis?

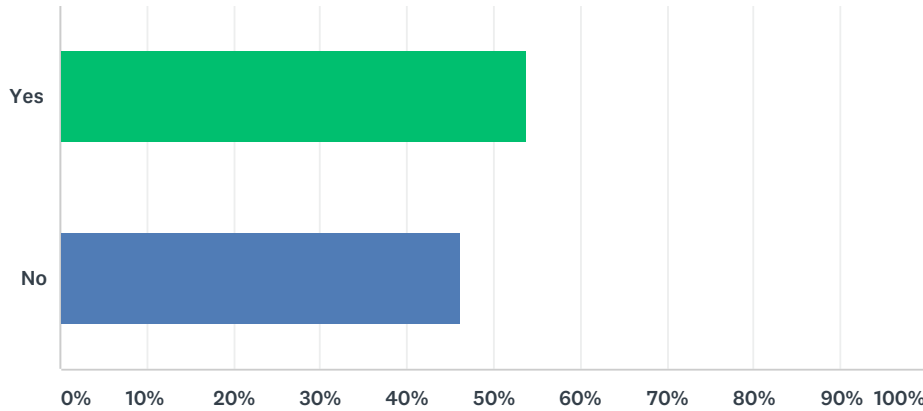
Answered: 91 Skipped: 39



ANSWER CHOICES	RESPONSES	
Collectively	25.27%	23
Individually	20.88%	19
The approach should vary depending on the tax changes involved	53.85%	49
<b>TOTAL</b>		<b>91</b>

**Q9 As you are aware, the Scottish Government has committed itself to a tax system underpinned by Adam Smith's four principles of proportionality, certainty, convenience and efficiency. Do you agree that the Scottish Government can continue to achieve a tax system underpinned by these principles?**

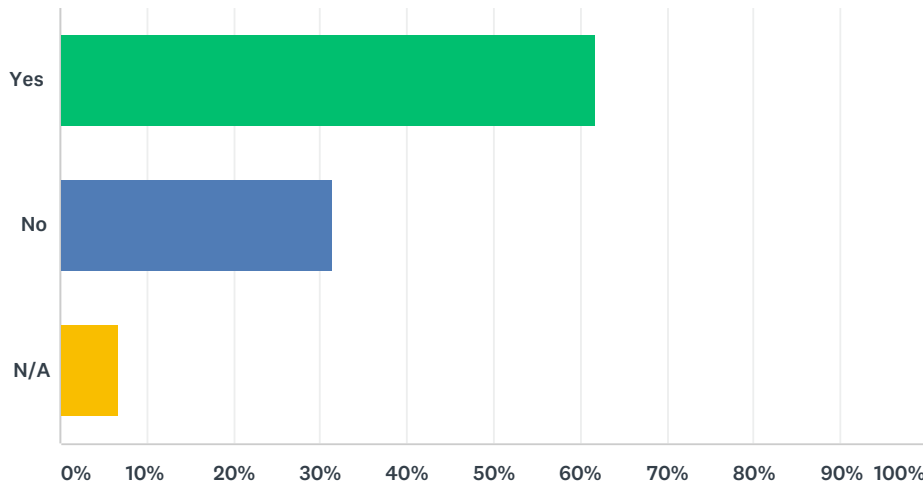
Answered: 91 Skipped: 39



ANSWER CHOICES		RESPONSES	
Yes		53.85%	49
No		46.15%	42
TOTAL			91

**Q10 The Scottish Government and Scottish Parliament have established a working group to explore options for an alternative legislative process for devolved tax legislation, including whether there is a need for a Scottish equivalent of the UK Finance Bill. Do you support the introduction of a Scottish Finance Bill?**

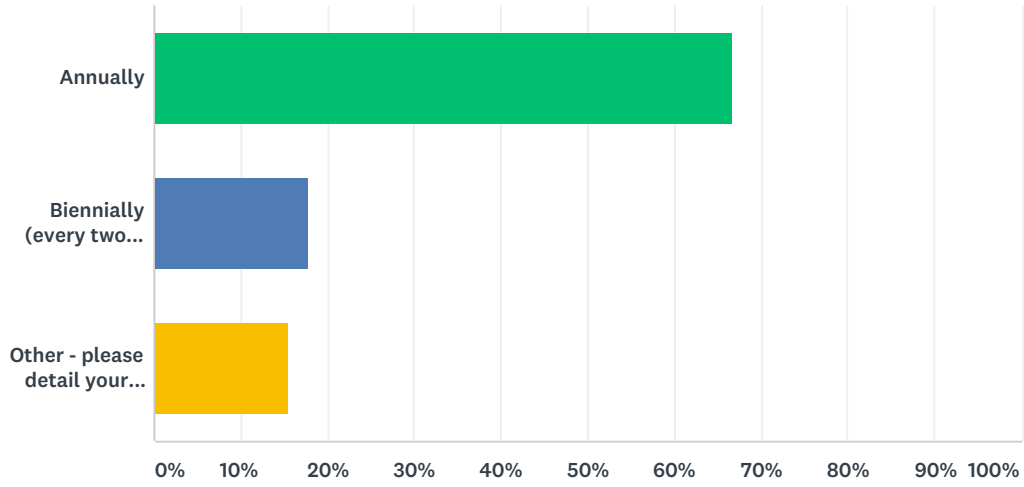
Answered: 89 Skipped: 41



ANSWER CHOICES	RESPONSES	
Yes	61.80%	55
No	31.46%	28
N/A	6.74%	6
TOTAL		89

## Q11 Do you think that a Scottish Finance Bill should be tabled:

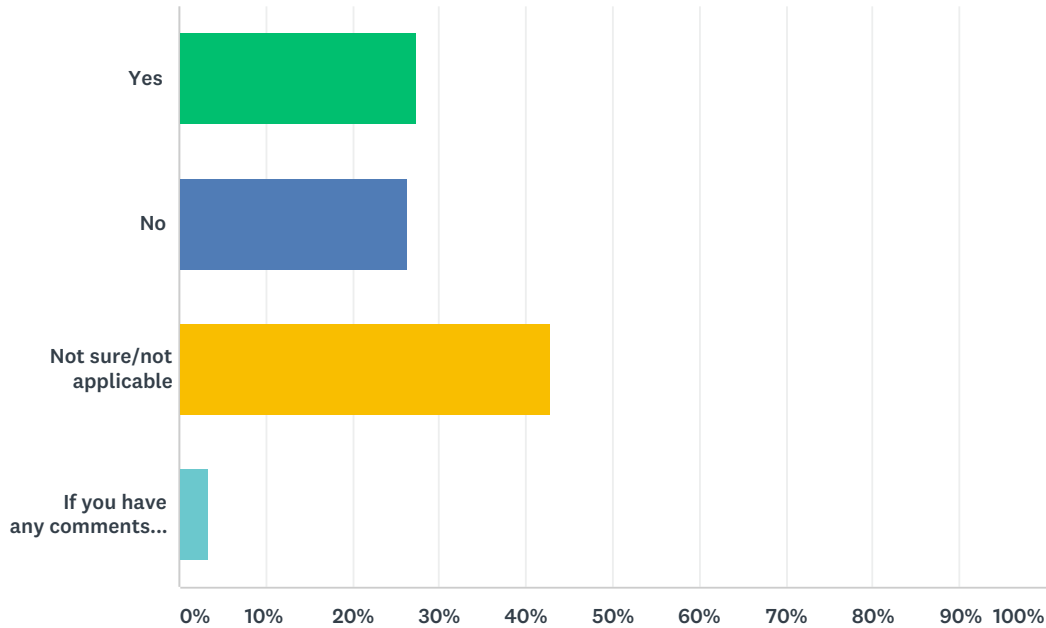
Answered: 84 Skipped: 46



ANSWER CHOICES	RESPONSES	
Annually	66.67%	56
Biennially (every two years)	17.86%	15
Other - please detail your preferred frequency here:	15.48%	13
<b>TOTAL</b>		<b>84</b>

### Q12 Do you consider the existing documents that are published by the Scottish Government (i.e a policy memorandum, financial memorandum and explanatory note) to clarify the intention and impacts of a policy sufficient?

Answered: 91 Skipped: 39



ANSWER CHOICES	RESPONSES	
Yes	27.47%	25
No	26.37%	24
Not sure/not applicable	42.86%	39
If you have any comments, please enter them here	3.30%	3
<b>TOTAL</b>		<b>91</b>