A social care tax or levy for Wales?

Personal tax

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The Welsh Government considers a social care levy for Wales.

In October 2017, the then Cabinet Secretary for Finance and Local Government announced four new taxes that the Welsh Government would consider, using its new powers to introduce specific new taxes provided under the Wales Act 2014. These included a social care levy. The Welsh Government subsequently commissioned an independent report, Paying for Social Care (PDF, 974KB) by Professor Gerald Holtham to examine the economic case for such a contributory tax or levy system. Under Professor Holtham's proposals, individuals would contribute a proportion of their income to a social care fund, ranging from 1% to 3% according to age.

The CIOT's Welsh Taxes Sub-committee is engaging with the Welsh Treasury in relation to their work on these possible new taxes including the social care levy. The CIOT's Policy Director, John Cullinane, spoke recently at a conference in Cardiff on how to fund social care in Wales; the presentation considered the issues that may arise in converting policy into tax law.

John Cullinane's blog on the CIOT website considers these issues.