Scottish taxes

General Features | Personal tax

21 September 2022

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The Scottish Taxes Committee has been considering a number of consultations of late. A recent submission concerns Scotland's public finances in 2023/24, a wide pre-Budget consultation released by the Scottish Parliament: 'Scotland's public finances in 2023-24: the impact of the cost of living and public service reform'.

The Finance and Public Administration Committee of the Scottish Parliament, as part of their pre-Budget scrutiny, aim to:

- influence how the Budget is prepared;
- improve transparency and increase public awareness of the Budget;
- consider how the Scottish government's Budget for 2022-23 should respond to new fiscal and wider policy challenges; and
- ensure better results and outcomes when compared against the Scottish government's fiscal targets and goals.

The stated focus was: 'How will the rising cost of living impact on the Scottish Budget in 2023-24? Will the Scottish government's proposals for reforming the public service deliver the efficiencies expected?' Questions included concerns around efficiency savings, transparency, net-zero targets and inflation or the cost of living crisis. However, there also were questions about whether Scottish tax priorities and the necessary framework for tax scrutiny will be in place for Scotland.

The CIOT's response focused on the need for pressing ahead with promised reforms such as devolution of air passenger duty, reforms to the additional dwelling supplement for the land and buildings transaction tax (LBTT), the appointment of a full-time minister for taxation, reconvening of the Devolved Taxes Legislation Working Group, and the possibility of introducing annual Scottish Finance Bills.

Other consultations which are currently ongoing include:

- ‘Land reform in a Net Zero Nation’: one section asks about how taxation policy can support land reform, particularly in regard to council tax, LBTT and more effective use of reliefs and exemptions.
- ‘Assessing the design and operation of the Scottish government’s block grant adjustments’: asks about the Barnett formula and various ways in which it is calculated.

The CIOT’s full response on Scotland’s public finances in 2023-24: the impact of the cost of living and public service reform can be found here: www.tax.org.uk/ref984.

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