Technical Spotlight: Spotlight on the Welsh Technical Committee

Briefings



20 September 2023

Ritchie Tout, Chair of the CIOT's Welsh Technical Committee

The CIOT's Welsh Technical Committee was launched in 2018 with Lakshmi Narain and Ritchie Toutas Chair and Vice-chair respectively. Lakshmi has recently stood down as Chair, although remains an active member of the Committee. Ritchie has taken over as Chair.

The remit of the Welsh Technical Committee covers all aspects of Welsh taxation and taxes devolved to Wales, including land transaction tax (LTT) and landfill disposals tax (LDT) and their management and administration. LTT and LDT replaced stamp duty land tax and landfill tax in Wales from April 2018.

Income tax is partially devolved to Wales, which means that the Welsh government is able to vary the three income tax rates (basic, higher and additional) for Welsh taxpayers.

Particularly interesting right now is the Welsh government's programme for the extensive phased reform of council tax and business rates, with a Local Government Finance Bill to be introduced to the Welsh Parliament (Senedd Cymru) this autumn.

New Welsh taxes potentially on the horizon include the introduction of a discretionary visitor levy (the subject of a recent Welsh government consultation to which the Committee responded) and a potential vacant land tax. The purpose of a vacant land tax would be to help bring about the development of land which already has permissions or is within the local development plan, but is not currently being developed. The Welsh government is testing the process for devolving new taxes using the vacant land tax proposal; however, the process has proved challenging to date.

The Committee benefits from positive engagement with both the Welsh Revenue Authority (WRA) and the Welsh Treasury. WRA officials often attend our meetings to discuss developments and consider issues in practice for LTT. Ritchie is also a member of the Welsh government's Tax Engagement Group.

Committee members are drawn from tax policy specialists, tax practitioners from law and accounting firms in Wales and academics from Cardiff, Swansea and Bangor universities. The Welsh Technical Committee works alongside the CIOT's Scottish Technical Committee on devolved issues, particularly where similar measures are proposed, such as the discretionary visitor levy.

Meeting two or three times a year – usually in person in Wales – and engaging outside formal meetings by email or other discussion, the Committee offers an opportunity to contribute to the challenges and benefits of tax devolution within the CIOT's overall objective of a better, more efficient tax system for all. One of the potential benefits is the scope for changes made to one regime to drive positive changes to equivalent taxes in England or Scotland and vice versa.

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