

Have your say in the development of potential new Welsh taxes

He is urging people and organisations to come forward with ideas which could be developed into new Welsh taxes.

The Wales Act 2014 provides the Welsh Government with powers to put forward proposals for the development of new taxes in areas of devolved responsibility. These proposals must be agreed by the National Assembly, UK Government and both the House of Commons and the House of Lords.

During a debate in the Senedd today, the Finance Secretary will outline his intention to test the new Wales Act powers and outline some of the tax ideas which have already been put forward by the Bevan Foundation. These include ideas around tourism and takeaway packaging and funding social care.

The Finance Secretary will also suggest that taxation could be used to change behaviours or to discourage activity which has negative social impacts.

The debate follows the passage of two tax Bills by the National Assembly for Wales, which pave the way for the introduction of two devolved taxes in April 2018 – land transaction tax, which replaces stamp duty land tax and landfill disposals tax, which replaces landfill tax.

Professor Drakeford will say:

“In nine months’ time the Welsh Government will raise our own taxes for the first time in almost 800 years. It marks a new relationship between the Welsh Government, the National Assembly, the Welsh taxpayer and devolved public services.

“The power to propose new taxes is an important lever, which we can use to change behaviours and deliver improvements for our communities. That is why I want to start a genuine debate about how we use these powers to support our commitment to fairness, wellbeing and growth.

“A number of ideas have already been put forward in the Bevan Foundation’s report *Tax for Good*. Other ideas for new taxes to support Welsh ideas, such as a tax to fund social care have also been suggested.

“Alternatively, we could use these powers to change behaviour or decrease negative practices, such as targeting land-banking through a levy on unused land. New taxes also presents us with an opportunity to build on Wales’ strengths, where we could consider taxes which aim to increase levels of recycling or perhaps look at a tourism tax.

“I am keen to consider all ideas and want to start a conversation around new taxes – with all political parties; with the public; businesses and organisations across Wales. I urge everyone to get involved, share their ideas with us and help us shape future Welsh taxes.”

A shortlist of ideas for new Welsh taxes will be considered in the autumn.

To get involved and put forward your ideas, please email FinancialReformMailbox@wales.gsi.gov.uk .