

Year to go: First Welsh Taxes in 800 years to be introduced

The devolution of tax powers to Wales marks a significant milestone in devolution as Wales will become responsible for raising a proportion of its own revenue to spend on public services.

From 1 April 2018, Wales will have two new taxes – land transaction tax will replace stamp duty land tax and landfill disposals tax will replace landfill tax.

Together they are estimated to generate more than £1bn in the first four years.

Two Bills to establish these new taxes are currently being scrutinised by the National Assembly for Wales – Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill passed stage three in the National Assembly earlier this week.

The Welsh Revenue Authority (WRA) will be responsible for collecting these two Welsh taxes. Finance Secretary Mark Drakeford has announced that Kathryn Bishop will be the first chair of the WRA; the non-executive board members will be appointed in the summer.

From April 2018, Wales will also be able to use new borrowing powers of £1bn to invest in capital projects in areas of devolved responsibility.

Professor Drakeford said:

“In just over a year, stamp duty land tax and landfill tax will be devolved and Wales will introduce the first Welsh taxes in almost 800 years.

“This is an historic milestone in Wales’ devolution journey as we become responsible for raising our own money to spend on public services. The next step will be Welsh rates of income tax, which we are committed to introducing in April 2019.

“These taxes bring additional responsibility for the Welsh Government and the National Assembly – to those who pay taxes and those who depend on the public services which are funded by them.

“These new tax powers provide us with the opportunity to reshape and make changes to improve existing taxes to better meet Wales’

needs and priorities. We will use them to help improve fairness and support jobs and economic growth in Wales.

“A huge amount of work is already underway to prepare for these tax powers. We have consulted widely and listened to a range of stakeholders to help us develop these taxes and will continue to do so as they make their way through National Assembly scrutiny.”