Parliamentary Bureau – Budget (Scotland) (No.5) Bill

Procedures for Parliamentary consideration and Scottish Rate Resolution

Budget (Scotland) (No.5) Bill

1. The Budget (Scotland) (No.5) Bill was introduced in the Parliament on Thursday 15 January 2026 by Shona Robison MSP, Cabinet Secretary for Finance and Local Government.

2. The parliamentary timetable proposed by the Scottish Government[1] for considering the Budget Bill is as follows:

> **Stage 1 debate:** Thursday 12 February 2026
> **Stage 2 proceedings:** Tuesday 17 February 2026 (Finance and Public Administration Committee)
> **Stage 3 proceedings:** Wednesday 25 February 2026

3. Rule 9.16.4 of Standing Orders provides that the usual rules regarding the minimum periods between Stages of a Bill do not apply to Budget Bills. Instead, Rule 9.16.5 provides that Stage 3 shall normally begin no earlier than 60 days after introduction of the Bill and be completed before the expiry of 70 days after the introduction of the Bill.

4. The period between the date of the Bill's introduction and the proposed date of Stage 3 is less than 60 days. However, it is considered that Standing Orders do not need to be varied or suspended to accommodate the proposed date (should the Parliament wish to do so) due to the use of the word "normally" in relation to the 60-day period in Rule 9.16.5. Stage 3 will take place within 70 days (in conformity with the other requirement in Rule 9.16.5).

5. Rule 9.16.6 provides that only the Scottish Government may lodge amendments to a Budget Bill and that notice of any amendment at Stage 2 or 3 shall be given no later than 2:30pm[2] on the Friday immediately preceding the week in which the Stage is due to start.

6. If Stage 2 proceedings are on 17 February, the deadline for lodging Stage 2 amendments under Rule 9.16.6 would be 2:30pm on Friday 13 February. If Stage 3 proceedings are on 25 February, the deadline for lodging Stage 3 amendments would be 2:30pm on Friday 20 February.

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[1] See too the correspondence between the Scottish Government and the Finance and Administration Committee Letter from the Cabinet Secretary for Finance and Local Government to the Convener of 28 October 2025 and Letter from the Convener to the Cabinet Secretary for Finance and Local Government of 6 November 2025

[2] The Parliament agreed to the temporary rule change on Thursday 15 January which altered the time for the deadline for amendments to Public Bills (including the Budget Bill)

Scottish Rate Resolution

7. Under section 80C of the Scotland Act 1998, inserted by section 25(3) of the Scotland Act 2012 and amended by section 13 of the Scotland Act 2016, the Parliament may by resolution set the Scottish basic rate, and any other rates, for the purpose of section 11A of the Income Tax Act 2007. This means that the rate(s) set out in a Scottish rate resolution (rather than UK rates) will apply to the (non-savings) income of Scottish taxpayers.

8. The Parliament is not required to set Scottish rates of income tax by resolution but is permitted to do so. In practice, the Government's spending plans represented by the Budget Bill are dependent on its assumptions about income tax revenue based on its proposal for rates and bands.

9. A rate resolution applies for one tax year only and must be agreed to before the start of that tax year (i.e. by 6 April).

10. The Cabinet Secretary for Finance and Local Government wrote to the Presiding Officer on 13 January 2026 to confirm the Government's view that the Budget Bill is dependent on the passing of a Scottish Rate Resolution (SRR) reflecting the rates and bands set out in the budget statement. The Government considers, therefore, that Rule 9.16.7 applies and Stage 3 cannot begin unless the Parliament has agreed to the SRR.

11. The lodging of a SRR is a matter for the Scottish Government and the scheduling of debate on the rate resolution is a matter for the Parliamentary Bureau.

12. This paper reminds the Bureau of procedural requirements in relation to a SRR motion and the Budget Bill.

Motion for a Scottish Rate Resolution

13. Section 80C of the Scotland Act 1998 and Rule 8.10 of Standing Orders together provide that a motion for a SRR—

- may specify a rate or rates;
- where it sets more than one rate, must also set limits or other provision to allow the rates of tax that apply to a Scottish taxpayer to be ascertained;
- must specify rates in terms of a whole number, half a whole number or zero;
- must specify the tax year to which it relates;
- applies for only one tax year and for the whole of that tax year;
- may be lodged and moved only by a member of the Scottish Government;
- may not be amended;

- must not be moved more than 12 months before the start of the tax year to which it relates;

- must be moved before the start of that tax year;

- must be moved before the commencement of Stage 3 proceedings on any associated Budget Bill.

The Budget Bill and the motion for a Scottish Rate Resolution

14. Rule 9.16.7 provides that, if a Budget Bill is dependent on the Parliament passing a particular SRR, Stage 3 proceedings on the Budget Bill must not commence unless the Parliament has agreed to the motion for that resolution.

15. The motion for a SRR must, therefore, be taken in the Chamber prior to Stage 3 proceedings on the Bill commencing. It requires to be agreed by a simple majority of members present.

16. If the motion for a SRR is not passed, another such motion can be lodged, provided that it is passed before the start of the tax year to which it relates.

17. Rule 9.16.7A requires that, if amendments to the Budget Bill have been lodged (which may only be lodged by a member of the Scottish Government), the Bill is to be treated as dependent only on the passing of a SRR which reflects the content of those amendments.

Recommendation

18. The Bureau is invited—

- to agree the proposed timetable for the Budget (Scotland) (No.5) Bill;

- to note the procedural requirements for handling a motion for a Scottish Rate Resolution.

Parliamentary Business Team
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