



30 Monck Street
London SW1P 2AP
T: +44 (0)20 7340 0550
E: post@ciot.org.uk

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Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
EH99 1SP

Dear Mr Gibson

**Scotland's public finances in 2023-24: the impact of the cost of living and public service reform
Supplementary evidence from the Chartered Institute of Taxation**

Thank you for inviting the Chartered Institute of Taxation (CIOT) to give evidence to the Finance and Public Administration Committee on 20 September as part of its inquiry into Scotland's public finances in 2023-24.

During the meeting, I indicated in response to a question from Ross Greer MSP that I would provide additional information on the views expressed by the CIOT and its Low Incomes Tax Reform Group (LITRG) in response to the changes made to Council Tax in the 2016-21 parliamentary session.

In 2016, CIOT and LITRG responded¹ to the Local Government and Communities Committee call for evidence on The Council Tax (Substitution of Proportion) (Scotland) Order 2016².

In this submission, we stated that the proposals to reform Council Tax contained in the order would 'improve fairness slightly' but would 'do little to change the broadly regressive nature of Council Tax'.

At the time, it was our view that 'more could be done to reform Council Tax' and called on the Scottish Government 'not to rule out future changes'. We also provided a summary of some of the proposals to reform Council Tax that

¹ <https://www.litrg.org.uk/sites/default/files/files/160928-LITRG-CIOT-Response-Council-Tax-Scotland-Order-2016-FINAL.pdf>

² <https://archive2021.parliament.scot/parliamentarybusiness/CurrentCommittees/100919.aspx>

were included in our response to the work of the Commission on Local Tax Reform and which may help to improve the overall progressivity of the system.

We further noted that the proposals to establish a relief system for low to middle income households in properties in Bands E to H should be accompanied by a publicity campaign to raise awareness and improve take-up, and stated that this should be considered alongside interactions with wider benefit entitlements to prevent claimants from being exposed to problems elsewhere in the benefits system.

I trust that this information assists the Finance and Public Administration Committee in its ongoing scrutiny work and will be happy to answer any further questions you may have.

Yours sincerely,

Charlotte Barbour
Vice President, Chartered Institute of Taxation

The Chartered Institute of Taxation

The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. Our comments and recommendations on tax issues are made solely in order to achieve this aim; we are a non-party-political organisation.

Our stated objectives for the tax system include:

- A legislative process that translates policy intentions into statute accurately and effectively, without unintended consequences.
- Greater simplicity and clarity, so people can understand how much tax they should be paying and why.
- Greater certainty, so businesses and individuals can plan ahead with confidence.
- A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented).
- Responsive and competent tax administration, with a minimum of bureaucracy.

The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.

The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries.

Our members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.