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Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament

8 January 2026

The Scottish Aggregates Tax (Applicable Rate of Tax) Regulations 2026

Dear Kenneth,

I am writing to provide you with an update on secondary legislation required to set the Scottish Aggregates Tax (SAT) rate for 2026-27.

In advance of SAT coming into operation on 1 April 2026, a Scottish Statutory Instrument (SSI) is required to set the tax rate. *The Scottish Aggregates Tax (Applicable Rate of Tax) Regulations 2026* has been laid in draft today.

The instrument is subject to the affirmative procedure. The convention agreed with Parliament for affirmative instruments is to allow at least 54 days between the laying date and coming into force date (which, in this case is 1 April 2026). Therefore, this legislation requires to be laid before Parliament ahead of next week's Scottish Budget.

The Scottish Government announced in the Medium-Term Financial Strategy 2025 that the SAT rate for 2026-27 will align with the UK Aggregates Levy rate. This approach provides certainty for taxpayers and supports agreement on a novel approach to the SAT Block Grant Adjustment baseline, reducing risk to the Scottish Budget.

The UK Budget 2025, confirmed that the UK Government will introduce legislation in the Finance Bill 2025-26 to increase the rate of Aggregates Levy in line with the Retail Price Index (RPI). The rate from 1 April 2026 will be £2.16 per tonne.

The Scottish Aggregates Tax (Applicable Rate of Tax) Regulations 2026, which has today been laid before the Scottish Parliament, provides that from 1 April 2026, the applicable rate of tax for SAT is £2.16 per tonne of taxable aggregate (in alignment with the UK Aggregates Levy rate).

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Yours sincerely,

IVAN MCKEE

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