

Ministear airson Ionmhas Poblach agus Eaconomaidh
Dhìseatach

Ceit Fhoirbheis BPA

Minister for Public Finance and Digital Economy

Kate Forbes MSP



Scottish Government
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Rt Hon Ken Macintosh MSP
Presiding Officer
Scottish Parliament
Edinburgh
EH99 1SP

6 February 2020

Dear Ken

I am writing to set out the Scottish Government's intentions regarding the Scottish Rate Resolution (SRR) provided for in section 80C of the Scotland Act 1998 (as amended by the Scotland Act 2016). As in previous years, the Scottish Parliament will be asked to pass a SRR setting the income tax rates and bands that will apply to the non-savings and non-dividend income of Scottish taxpayers.

The Scottish Government set out initial proposals for Scottish Income Tax for 2020-21 in the Scottish Budget published on 6 February. For the Scottish Government proposals to be effective, an SRR in the appropriate terms requires the approval of the Parliament.

The Parliament's Standing Orders (rule 9.16.7) provides that Stage 3 of a Budget Bill, which is dependent on the Parliament passing a particular SRR, cannot commence until the motion for the SRR has been agreed. I consider that this rule is engaged in the case of this year's Budget Bill. The authorisation to use resources that the Bill seeks is tied very closely to the Scottish Budget and the expected revenue from, among other things, Scottish Income Tax.

Given the close relationship between the Budget Bill and the SRR, I intend that the motion containing the SRR will be lodged on 2 March, with the timetable for moving and debating the motion being 4 March, the day before the commencement of Stage 3 proceedings.

Tha Ministearan na h-Alba, an luchd-comhairleachaidh sònraichte agus an Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

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I hope this is helpful and if you require any further information please do not hesitate to let me know.



KATE FORBES

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MOTION FOR A SCOTTISH RATE RESOLUTION

Kate Forbes: Scottish rate resolution – That the Parliament agrees that, for the purposes of section 11A of the Income Tax Act 2007 (which provides for income tax to be charged at Scottish rates on certain non-savings and non-dividend income of a Scottish taxpayer), the Scottish rates and limits for the tax year 2020-21 are as follows—

- (a) a starter rate of 19%, charged on income up to a limit of £2,085,
- (b) the Scottish basic rate is 20%, charged on income above £2,085 and up to a limit of £12,658,
- (c) an intermediate rate of 21%, charged on income above £12,658 and up to a limit of £30,930,
- (d) a higher rate of 41%, charged on income above £30,930 and up to a limit of £150,000, and
- (e) a top rate of 46%, charged on income above £150,000

