

Consultation Title	<b>Devolved Taxes: a policy framework</b>
Date	<b>05/06/19</b>
From	<b>Jason Rust Scottish Land &amp; Estates Stuart House Eskmills Business Park, EH21 7PB</b>
Telephone	<b>0131 653 5400</b>
Email	<a href="mailto:Jason.rust@scottishlandandestates.co.uk"><b>Jason.rust@scottishlandandestates.co.uk</b></a>

Scottish Land & Estates (SLE) is a member organisation that uniquely represents the interests of both land managers and land-based businesses in rural Scotland. SLE has a Taxation Group which is formed from a number of professional members who closely monitor fiscal policy and application. Representatives have met with the Scottish Government, Revenue Scotland, Office of Tax Simplification (OTS) and HMRC and we liaise closely with other stakeholder bodies across the UK through the Agricultural Representatives Fiscal Group. We have long been interested in the operability of taxation policy and guidance as it effects our membership. We welcome the opportunity to respond to this consultation.

While we recognise that the consultation is rightly focused on the devolved taxes, we are keen that in bringing forward legislation more generally the Scottish Government considers the interaction with reserved taxation. Although not the subject of this consultation we do feel, particularly in the area of agricultural tenancies and community right to buy mechanisms that there has not been appropriate consideration given to the impact of reserved taxation in policy development.

**Question 1: Do you welcome the use of the DTC as an annual tax forum and agree with its stated purpose? Yes No Please explain your answer**

---

Possibly.

SLE agrees that there is a need for wider discussion on tax policy issues. However, whether an annual meeting of the Devolved Tax Collaborative is the best method would depend upon how it functions in practice. It is difficult to envisage how it can be used both to set out future tax priorities and provide updates as well as allowing stakeholders to contribute at the same time. Effective contribution would require advance notice/ papers or if the intention is to discuss at the subsequent meeting, priorities might have changed over the course of the year and the lapse of a year would not make for effective policy making.

It also requires to be considered why the Devolved Tax Collaborative was replaced and what lessons can be learned from its previous incarnation. Tax obviously impacts different sectors and different types of organisation and individuals in a variety of ways. Therefore, where endeavouring to obtain feedback at an annual meeting of a comprehensive range of groups this might not be the most useful way to ensure feedback and retain interest.

**Question 2: Do you have any other preferences as to how the Scottish Government should carry out engagement on the fully devolved taxes? Yes No Please explain your answer**

---

Yes.

SLE welcomes any opportunity to raise taxation issues prior to the Scottish Government Budget. It is also important that feedback can be easily provided on the performance of Revenue Scotland and that technical and practical issues can continue to be raised.

**Question 3: Do you support the Scottish Government's proposed approach to tax consultations, in particular consulting on issues collectively rather than on an individual basis? Yes No Please explain your answer**

---

No.

SLE believes it important that there is adequate consultation on draft taxation legislation in addition to any earlier consultation. While the original consultation is useful to establish broad policy objectives and themes and to give an idea as to application and eligibility, the legislation is ultimately key and it would be unfortunate if legislation was to be brought forward without consultation on a Bill itself. As observed through the application of LBTT for instance, further consultation on the legislation could have highlighted some of the anomalies in the drafting.

In terms of the overall approach we are concerned about a "one size fits all" consultation style. There is recognition in the consultation paper that different types of consultation and engagement will work better for different types of changes. We also feel that it is vital that the Law Society of Scotland and other professional bodies are directly engaged with to ensure specialist and technical points can be taken on board at an early stage.

**Question 4: What are your views on the proposed policy and legislative cycle?**

---

SLE is conscious that the Scottish Land Commission is also considering aspect of taxation such as Land Value Taxation or more generally Land Value Capture and we would hope that there is a link between bodies such as the SLC and Scottish Government in terms of the policy cycle to avoid duplication.

**Question 5: What are your views on how frequent the cycle should occur - annually or every two years?**

---

SLE considers every two years is sufficient. It is important that existing measures should become fully operational, should be allowed to bed in, and their effectiveness be properly evaluated, before any further changes are contemplated.

**Question 6: Do you consider the existing documents that are published, and the Scottish Government's approach to drafting them, as a sufficient means of clarifying the intention and impacts of a policy? Yes No Please explain your answer**

---

Yes.

SLE agrees that the policy making approach in terms of the different assessments is a useful way to understand the potential policy impact. However, we feel, particularly with reference to the Business and Regulatory Impact Assessment that these frequently need more thorough consideration.

We would also encourage publication of research which sits behind policy proposals /decisions to better inform stakeholders/organisations.

**Question 7: Do you agree with the Scottish Government's approach to the circumstances set out in this section? Yes No Please explain your answer**

---

SLE appreciates that there may be occasion where full consultation is not possible and that an instant action is required in terms of legislation. However, we would perceive such instances to be extremely rare and welcome that clear and justifiable reasons will require to be set out in such circumstances. Ultimately if the cornerstone of the Scottish Approach to Taxation is *certainty*, then such circumstances outlined require to be exceptional and the policy approach should always seek to be proactive rather than reactive.