



Awdurdod Cyllid Cymru
Welsh Revenue Authority



Llywodraeth Cymru
Welsh Government

The Taxation (Wales) Bill

Explanatory Memorandum

incorporating the
Regulatory Impact Assessment and Explanatory Notes

October 2026

Explanatory Memorandum the Taxation (Wales) Bill 2026

This Explanatory Memorandum has been prepared by the Welsh Revenue Authority in collaboration with Welsh Treasury of the Welsh Government and is laid before Senedd Cymru.

Member's Declaration

In my view the provisions of the **Taxation (Wales) Bill 2026**, introduced by me on the 19 October 2026, would be within the legislative competence of Senedd Cymru.

Elin Jones MS

Cabinet Minister for Finance

Member of the Senedd in charge of the Bill

October 19, 2026

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PART 1 – EXPLANATORY MEMORANDUM

1. Description

- 1.1. The Taxation (Wales) Bill (“the Bill”) contains a number of legislative changes to the Welsh Tax Acts, namely the *Tax Collection and Management (Wales) Act 2016* (‘TCMA 2016’), the *Landfill Disposals Tax (Wales) Act 2017* (‘LDTA 2017’) and the *Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017* (‘LTTA 2017’).
- 1.2. The proposed changes relate to areas where, in practice the WRA has encountered difficulties in operating the legislation effectively or in giving full effect to what is considered to be the original intention of the Senedd. It also includes some changes that have been identified by tax experts as causing confusion or undue complexity, as well as changes to support enhanced data sharing between the WRA and local authorities to support wider tax functions. These proposals have been identified with support by input from tax experts and Welsh Treasury.
- 1.3. The proposals are mainly unrelated to one another. Some require amendment through primary legislation, some of the proposed amendments could be addressed through secondary legislation. However, given a Bill is needed to address those which cannot be amended via secondary legislation it is proposed that all changes are made through this Bill.
- 1.4. The proposed changes seek to:
 - remedy areas where the WRA has experienced practical difficulties in operating the legislation;
 - respond to feedback received from taxpayers and professional advisers;
 - make changes to the constitution of some WRA committees where the purpose is the delivery of specific taxpayer decisions;
 - enable better data sharing with local authorities to aid the development of accurate tax bases, improve local taxation compliance activity, and align to wider UK-level objectives to improve cross-government use of data.

- 1.5. The Bill represents the next stage in Wales' tax devolution journey. Eight years on from the introduction of Land Transaction Tax ('LTT') and Landfill Disposals Tax ('LDT'), the changes proposed in this Bill support the ongoing maintenance of a well-functioning Welsh tax system.

2. Legislative Competence

- 2.1. Senedd Cymru ("the Senedd") has the legislative competence to make the provisions in the Taxation (Wales) Bill ('the Bill') pursuant to Part 4 of the Government of Wales Act 2006 as amended by the Wales Act 2017.

3. Purpose and intended effect of the legislation

Background

- 3.1 The legislative background to the Bill lies in the devolution of Welsh taxes under the Wales Act 2014¹, which enabled Senedd Cymru to legislate for devolved taxes on land transactions and disposals to landfill, and in the subsequent establishment of the Welsh Revenue Authority ('WRA') under the Tax Collection and Management (Wales) Act 2016 ('TCMA 2016') as Wales' tax administration body.
- 3.2 The WRA, as a non-ministerial department of the Welsh Government, develops and delivers services for people to register, calculate and pay certain taxes established by Senedd Cymru. The Bill ensures that the WRA can continue to raise revenue fairly, supporting a clear, stable and simple devolved tax framework. The WRA's strategic objectives include making it easy to do the right thing, being fair and consistent in-service delivery, and being a sustainable and future-focused organisation.²
- 3.3 Since April 2018, the WRA has collected and managed two devolved taxes on behalf of the Welsh Government: Land Transaction Tax and Landfill Disposals Tax. These taxes replaced UK stamp duty land tax and UK landfill tax in Wales from April 2018. The Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 also provides functions for the WRA in relation to the visitor levy framework, including responsibility for maintaining the register of visitor accommodation providers from 2026 and administering levy collection from 2027.
- 3.4 During the 2025-26 financial year, almost £400 million was collected from LTT and LDT. Since 2018, the WRA had raised more than £2.7billion for Welsh public services from the two devolved taxes.

Context

- 3.5 As outlined in section 4 (Consultation), the Bill has been informed by eight years of experience administering devolved taxes in Wales, engagement with stakeholders, and consideration of relevant UK legislative changes. Its technical

¹ [Wales Act 2014](#)

² [Welsh Revenue Authority Corporate Plan 2025 to 2028 | GOV.WALES](#)

amendments are intended to clarify, strengthen and future-proof the Welsh Tax Acts, supporting effective tax administration and public service delivery. Experience of administering devolved taxes has identified areas where legislative clarification would help taxpayers better understand and meet their obligations. It has also highlighted opportunities to improve governance arrangements and update powers supporting the WRA's statutory functions.

- 3.6 Broadly, the Bill is intended to make a series of mostly technical and administrative amendments designed to ensure that the Welsh Tax Acts continue to deliver the outcomes intended by Senedd Cymru, that taxpayers and advisers can understand their obligations more clearly, and that the WRA can administer and enforce the taxes effectively and fairly. The Bill does not introduce a new tax, nor does it make substantive changes to the underlying policy objectives of existing devolved taxes.

General overview of the Taxation (Wales) Bill

- 3.7 This is a bill that makes amendments to legislation already operating in Wales. It sets out a range of technical and administrative amendments to the Tax Collection and Management (Wales) Act 2016 ('TCMA 2016'), the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 ('LTTA 2017') and the Landfill Disposals Tax (Wales) Act 2017 ('LDTA 2017').
- 3.8 The Bill is in four parts; tax collection and management; Land Transaction Tax; Landfill Disposals Tax, and general. It also includes provisions relating to commencement.
- 3.9 The legislative proposals set out in the [Welsh Tax Acts White Paper](#) follow the principles underpinning legislative changes to Wales' devolved tax system. These remain core to the Bill which has been drafted to deliver a tax system based on the following aims and objectives:
- Using the WRA's experience of administering Welsh devolved taxes to make amendments to the Welsh Tax Acts that clarify and rectify the application of tax legislation in certain areas and to allow for more effective understanding and efficient tax administration for taxpayers, their advisers and the WRA.
 - Supporting the delivery of public services in Wales by enabling the sharing of WRA-collected data with Welsh Government and local government partners where appropriate.

- 3.10 Whilst some of the amendments put forward in the Bill could be made through regulations using powers provided to the Welsh Ministers by the Senedd, others cannot. The opportunity has therefore been taken to group together both those that can only be made by primary legislation and those that cannot.
- 3.11 In relation to governance, the Bill is intended to provide additional clarity in TCMA 2016, reflecting how WRA's Board, committees and operational decision-making structures work in practice.
- 3.12 The Bill will make targeted improvements or clarifications to the WRA's administrative and compliance powers. The provisions relate, among other things, to information sharing, repayments, information notices, powers of inspection, and interest. These are intended to improve and/or clarify the WRA's ability to collect and manage taxes efficiently, protect revenue where appropriate, and support effective public administration.
- 3.13 The Bill also makes substantive changes to Land Transaction Tax and Landfill Disposals Tax by amending LTTA 2017 and LDTA 2017. These changes include targeted amendments to ensure that the legislation operates efficiently and fairly in practice and that uncertainty or disputes are reduced.
- 3.14 Overall, the Bill supports the continued development of a stable, clear and effective Welsh tax system.

Purpose and intended effect of the Bill provisions

- 3.15 The Welsh Government considers that the Bill is compatible with Convention Rights. Whilst certain provisions of the Bill may engage Articles 6, , 8 and Article 1 of Protocol 1, any interference with those rights can be justified given the overall purpose of the Bill.

Part 1: Tax collection and management

Section 1: Participation in Welsh Revenue Authority committees by persons who are not members of the authority

- 3.16 The governance framework and core powers and duties for collecting and managing devolved Welsh taxes for the WRA is set out in the Tax Collection and Management (Wales) Act 2016 ('TCMA 2016'). TCMA 2016 established the

WRA as a body corporate and assigns the WRA's statutory functions to that body corporate. References to 'WRA' in relation to this amendment mean the statutory body corporate, whose membership comprises executive and non-executive board members, not WRA staff members. Thus, references to 'non-members' for the purposes of this section refer to non-board members, meaning persons who are not executive or non-executive members of the WRA.

- 3.17 Section 3 of TCMA 2016 provides for the membership of the WRA, which comprises non-executive and executive members and consists of between eight and thirteen members. Non-executive members are appointed by Welsh Ministers.
- 3.18 Section 8 of TCMA 2016 enables the WRA to establish committees (and for those committees to establish sub-committees) for any purpose relating to its functions. The WRA may determine committee composition and may appoint people who are not members of the WRA (e.g. WRA staff or persons to whom WRA has delegated functions) to a committee (and similarly a committee may appoint non-members to a sub-committee). However, TCMA 2016 currently provides that non-members are not entitled to vote in a committee or sub-committee.
- 3.19 The Bill clarifies the governance provisions in TCMA 2016. In particular, it explicitly recognises a distinction between formal "committees of WRA" and committees established by WRA staff in relation to functions they are authorised to carry out. A committee of WRA is a group established by the WRA to deal with particular business or to advise on particular issues relating to WRA functions and which contains one or more members of the WRA. A sub-committee of a committee of WRA is a smaller group established under a committee of WRA.
- 3.20 The changes also deal with who may vote at meetings. In relation to committees of the WRA, a person who is not a member of the WRA will not automatically have a vote simply because they sit on that committee, but WRA staff may be authorised to vote by the WRA. In relation to sub-committees of committees of WRA, WRA staff may vote if authorised by the committee of the WRA. In relation to committees established by WRA staff, the changes recognise that staff may determine the composition of such committees. They also clarify that the only persons, other than WRA staff, who may vote on such committees are members of the WRA or persons to whom WRA functions have been delegated, and only if they have been authorised to vote by the Chief Executive of the WRA.

- 3.21 The section also makes connected changes to rules about procedure, confidentiality and evidence so that the amended governance structure works coherently.
- 3.22 The practical effect of the changes is that they clarify governance arrangements, decision-making responsibilities, voting rights and delegation rules to make WRA's governance more transparent and reduce legal uncertainty. Furthermore, the changes ensure WRA's operations maintain Board oversight while making clear that WRA staff may make operational decisions through staff committees where staff are authorised to carry out the relevant functions, without requiring non-executive members to be involved in day-to-day case management.

Section 2 – Delegation of Welsh Revenue Authority functions

- 3.23 Section 13 of TCMA 2016 enables the WRA to authorise the exercise of its functions by a member, a committee, a sub-committee or members of staff. Where functions are authorised to a committee or sub-committee, TCMA 2016 currently requires that at least one non-executive member of the WRA must be a member of that committee or sub-committee.
- 3.24 Section 14 of TCMA 2016 enables the WRA to delegate any of its functions to one or more bodies that have been prescribed by the Welsh Ministers in regulations.
- 3.25 Section 2 of the Bill clarifies that in instances where a WRA function has been delegated to a body which is not a reserved authority, such as Natural Resources Wales, that function may be further delegated under any powers the body has and treated as a function of that body for the purposes of its own power of delegation. Welsh Ministers may by regulations prohibit or limit further delegation of WRA functions in these instances.

Section 3: Disclosure of protected information

- 3.26 TCMA 2016 confers the operational powers the WRA needs to administer and enforce devolved taxes. This includes powers to obtain information and documents as part of its functions and sets the conditions under which information may be used and shared.

- 3.27 Section 16 of TCMA 2016 allows for information acquired in connection with a function of the WRA by the WRA or an organisation to which WRA functions have been delegated (a 'delegated authority'), to be used by the WRA, or by the delegated authority, only in relation to any function of the WRA. Section 17 of TCMA 2016 prohibits the disclosure of protected information ('PI') by a relevant official (as defined by section 17(2)) unless it is expressly permitted.³
- 3.28 Section 18 of TCMA 2016 sets out the permitted grounds for disclosing PTI. These include (among others): disclosure with consent; disclosure to obtain services; disclosure for criminal investigations/proceedings or prevention/detection of crime; disclosure for civil proceedings; disclosure pursuant to a court/tribunal order; disclosure where another enactment permits/ requires it; and disclosure to HMRC or Revenue Scotland in connection with relevant functions.
- 3.29 TCMA 2016 also includes a "functions" gateway (section 18 (1) (za)) permitting disclosure for the purposes of WRA's functions, but it excludes disclosure for certain specific functions listed in section 12(2)(a) and (e) and section 12(3). Those particular functions are:
- 1) providing to the Welsh Ministers information, advice and assistance relating to WRA-collected taxes;
 - 2) providing information, advice and assistance relating to the visitor levy to principal councils and
 - 3) providing the Welsh Ministers with such information, advice or assistance relating to its functions as the Welsh Ministers may from time to time require in such form as the Welsh Ministers determine.
- 3.30 These particular functions relate to the WRA's obligations to provide high-level briefing regarding the present position of matters such as the WRA's revenue projections and detail regarding the performance of the taxes to support policy work. As a result, the functions gateway does not provide a complete route for disclosures that may be necessary to support day-to-day administration of WRA-collected taxes in all areas.

³ PI means information relating to a person (the "affected person")

(a) which was acquired by the WRA or which was acquired by a person to whom any of the functions of the WRA have been delegated in connection with those functions, and

(b) by which the affected person may be identified (whether by reason of the affected person's identity being specified in the information or being capable of being deduced from it).

- 3.31 Finally, the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 makes provision (once commenced) to amend section 18 of TCMA 2016 to allow disclosure of PI acquired in connection with WRA's functions of establishing a register of visitor accommodation providers under Part 2 of that Act to (i) a principal council in connection with its functions, or (ii) the Welsh Ministers in connection with their tourism functions under section 2 of the Development of Tourism Act 1969. The relevant commencement order provides for this gateway to come into force on 1 October 2026.
- 3.32 The WRA collects a substantial amount of PI under TCMA 2016 which could be useful in supporting the effective delivery of other public bodies' functions, as well as assisting the WRA's own functions relating to the collection and management of the visitor levy. However, there is currently no permitted route in section 18 that allows disclosure of devolved tax/visitor levy PI to principal councils for local taxation purposes. In addition, because of the section 12(2)(e) exclusion, the functions gateway prevents the WRA from disclosing visitor levy PI to principal councils even where disclosure is needed to carry out the WRA's own visitor levy functions (for example, during enquiries).
- 3.33 The Bill therefore amends section 18(1) to TCMA 2016 to introduce two separate but complementary statutory information sharing gateways:
- 1) The first is a provision enabling the WRA to disclose visitor levy PI to principal councils⁴ where that disclosure is for the purposes of the WRA's own visitor levy functions.
 - 2) The second is a provision enabling the WRA to disclose PI to qualifying persons for the purposes of the collection and management of council tax and non-domestic rates. Qualifying persons are: a principal council; a person authorised to exercise any function of such a council relating to the collection and management of council tax and non-domestic rates; or a person providing services to such a council relating to the collection and management of council tax and non-domestic rates.
- 3.34 The first change provided by the Bill – relating to visitor levy PI for the WRA's own functions - is intended to remove an unintended restriction in the current legislation. The intention behind section 12(2)(e) of TCMA 2016 when introduced by the Visitor Accommodation (Register and Levy) Etc. (Wales) 2025 was to ensure that the WRA could provide general support, advice and assistance to principal councils on the visitor levy; it was not intended to prevent the WRA from

⁴ A principal council is a county council or county borough council in Wales.

making PI disclosures to principal councils where necessary to administer the visitor levy properly. The Bill will therefore provide the same treatment for visitor levy taxpayers as devolved tax taxpayers and ensure compliance activities, enquiry cases and the resolution of those cases can be handled efficiently once the levy is in operation in any local authorities that decide to charge it.

- 3.35 The second change relating to the sharing of PI for Council Tax and Non-Domestic Rates functions is intended to be narrower than the existing register gateway in section 18(1)(k) of TCMA 2016. Rather than permitting disclosure in connection with *any* principal council function, the Bill confines disclosure to local taxation functions only. The policy rationale is that visitor levy, LTT and LDT PI is not generally available in the public domain and would be of significant value for local taxation compliance purposes. No sufficient case has been identified for broader disclosure beyond Council Tax and Non-Domestic rates collection and management.
- 3.36 As with all legal gateways under section 18 TCMA 2016, the new gateways provided by the Bill will be discretionary rather than mandatory. This is to ensure that the WRA retains control over what information is shared, with whom, and when; and to allow appropriate data infrastructure, operational governance and information-sharing arrangements to be developed before any disclosures take place.
- 3.37 The policy intent is not to prescribe an exhaustive list on the face of the Bill, but to provide a controlled statutory route through which information can be shared where necessary and proportionate for the relevant Council Tax and Non-Domestic Rates purposes. Examples discussed with local authority revenues and benefits officers during the consultation period include to:
- check whether a property should potentially attract a council tax premium as a second home;
 - use information about nights let or business activity to assess whether a property is properly treated for council tax or non-domestic rates purposes; and
 - use land transaction information to help identify ownership, check whether council tax premium refunds are due, or support

non-domestic rates compliance where leasehold transactions may affect liability.⁵

- 3.38 The intention of these changes is to ensure that disclosures under the local taxation gateway will be limited to relevant principal council enforcement and compliance teams, supported by appropriate information sharing governance (for example, information sharing agreements and memoranda of understanding) and strong safeguards for confidentiality. The reference to a principal council does not mean that PI is intended to be made available generally within the council or to elected members. The WRA will disclose PI only to the officials who require access for the relevant functions, and the information sharing arrangements will reflect that restriction.
- 3.39 The provision is intended to operate within the existing data protection framework rather than alter that framework. The principal council will act as controller of personal data received for its own local taxation purposes, while the WRA would remain subject to its own obligations. Before any information is shared, the WRA will ensure that appropriate data-sharing infrastructure and handling arrangements with role-based access controls will be agreed.
- 3.40 To further safeguard PI, the section also restricts onward disclosure by persons receiving PI shared under both new information-sharing gateways. This means that a person who receives the information may not pass it on unless the WRA has given their written and unequivocal consent or an exception set out in new section 20A(2)(a) applies. Breach of those restrictions by a person is made a criminal offence. A defence is available to the criminal offence if a person can prove that they reasonably believed that the disclosure was permitted under section 20A, or that they reasonably believed that the information had already lawfully been made available to the public. Finally, the list of permitted disclosures in section 20A(2)(a) that will not attract the criminal offence for further disclosure of protected information may be amended by regulations by the Welsh Ministers.
- 3.41 Overall, the intended effect of these information sharing amendments is to enable better use of the WRA held information already collected through the WRA-collected tax system, while preserving strong safeguards around confidentiality. The amendments are intended to improve tax administration and

⁵ Further detail surrounding the anticipated uses for information sharing between the WRA and local authority council tax and non-domestic rates team can be found in the Bill's Data Protection Impact Assessment [LINK WHEN AVAILABLE].

compliance, reduce duplication, support local government revenues, and help the WRA administer the visitor levy consistently with its other taxes.

Section 4: Power to withhold repayments of tax during Welsh Revenue Authority enquiry

- 3.42 Part 3 of TCMA 2016 sets out the arrangements for establishing a taxpayer's liability to a WRA-collected tax, taxpayers duties, the opening of an enquiry into tax returns, and the making of a determination or assessment by the WRA.
- 3.43 Currently, when a taxpayer amends a tax return and that amendment gives rise to a repayment, the WRA is obliged to make the repayment without delay, even when it has concerns that the amendment may not be correct. Whilst the WRA has the power to enquire into an amendment, the refund is generally paid before any enquiry takes place. As a result, enquiries are often undertaken after the repayment has been made, creating a resource-intensive compliance process.
- 3.44 This can also lead to taxpayer dissatisfaction, as receipt of the repayment may give the impression that the WRA has endorsed the claim. In cases involving mass-market agents promoting tax repayment claims based on alleged overpayments, taxpayers may also suffer financial detriment where agent fees have already been deducted from the refunded amount.
- 3.45 Where the repayment is subsequently found to be incorrect and has already been spent, recovery can be difficult and cases may ultimately escalate into debt management or enforcement action. Enquiry timelines vary significantly when investigating the validity of repayment claims from a few days in straightforward cases to several months or years for complex disputes. The WRA and taxpayers do not want to be in a position where funds have been spent, and late payment interest accrues if the repayment in the first place should never have been made.
- 3.46 To address these issues, the Bill creates an express statutory power giving the WRA a discretion to withhold repayments arising from taxpayer amendments once an enquiry has been opened and until that enquiry is concluded.
- 3.47 The power is intended to be used only in cases where the WRA has reason to believe there is a risk that the amendment to the tax return may not reflect the correct tax position of the taxpayer. The power will apply across all WRA-collected taxes, so that the position is consistent and future-proofed. The WRA will set out in published guidance how this power is to be used in practice.

- 3.48 The intended effect is to strengthen revenue protection and reduce the current ‘refund then recover’ cycle, while maintaining appropriate safeguards for taxpayers and Welsh Government revenues. These safeguards include the requirement that an enquiry must first have been opened, that the WRA must give written notice of its decision to withhold a repayment, that the taxpayer is aware of their review and appeal rights under Part 8 of TCMA 2016, and that the existing repayment interest rules apply where a withheld repayment is ultimately found to be due.

Section 5: Claims for relief for overpaid tax: repayment of late payment interest

- 3.49 Section 63 TCMA 2016 provides a mechanism for taxpayers to claim relief in respect of overpaid tax. Where the WRA gives effect to a successful claim, the legislation currently provides for the repayment or discharge of the overpaid tax itself. However, it does not expressly provide a mechanism for adjusting any associated late-payment interest.
- 3.50 The Bill amends section 73 TCMA 2016 to provide a mechanism for dealing with the associated late-payment interest position where the WRA gives effect to a claim under section 63. The intended effect is to ensure that a taxpayer's overall liability can be adjusted consistently following a successful claim for overpaid tax, including where late-payment interest is attributable to an amount that is subsequently found not to have been chargeable or payable.
- 3.51 The policy is intended to clarify the operation of interest following a claim.

Section 6: Giving reasons for not giving effect to claims for relief in case of excessive assessment or overpaid tax

- 3.52 This section amends section 73 of TCMA 2016 to place additional requirements on the WRA when it decides not to give effect to a claim or amendment relating to an excessive assessment or overpayment of tax. Where the WRA rejects a claim or amendment, either in full or in part, it must now provide the taxpayer with reasons for its decision. It must also include information about the taxpayer's rights to ask for an internal review or to appeal the decision.
- 3.53 The amendment is intended to improve transparency and ensure that taxpayers understand both why their claim has not been accepted and what options are available to challenge the decision. This aligns with broader principles of fairness

in tax administration and may help taxpayers determine whether further action is appropriate.

- 3.54 The new requirements do not apply where the WRA decides to enquire into a claim or amendment. In those cases, the WRA is not required to give reasons under section 73 at the point the enquiry is opened, as sections 74 and 75 contain separate provisions governing enquiries and the notices that must be issued in those circumstances.

Section 7: Taxpayer notices following a tax return

- 3.55 The Bill amends the information powers in TCMA 2016. A taxpayer notice is a formal notice requiring a taxpayer to provide information or documents that the WRA reasonably needs for its tax functions. Some tax reliefs may be withdrawn if events happen after a tax return has been made. For example, a relief may depend on land continuing to be used in a particular way for a specified period. In those cases, the WRA may need information after the ordinary enquiry window has closed in order to check whether a relief no longer applies as the conditions are no longer met.
- 3.56 The amendment provides the WRA with the ability to issue an information notice where it needs to check whether, following post-transaction (or potential post-transaction) events, an LTT relief has been withdrawn or a refund has become repayable, giving rise to a further return obligation. This addresses a gap in the current framework, as some reliefs may be validly claimed at the effective date of the transaction but later withdrawn if conditions cease to be met within the 'control period' provided by the legislation.
- 3.57 This issue arises because the relevant control or compliance periods can extend beyond the normal window for opening an enquiry into the original return. Although the WRA has other powers, those do not always provide a clear route where it lacks enough information to know whether relief is no longer available or a further return obligation has arisen. Similar issues can also arise when a taxpayer is liable for the LTT higher residential rates but makes a subsequent disposal to a local authority, where a refund may later become repayable if post-transaction conditions are no longer met.
- 3.58 The Bill therefore creates a targeted power enabling the WRA to request information for the purpose of checking whether a relief has been, or a refund has become repayable in specified post-transaction circumstances. The intended effect is to allow the WRA to verify post-transaction compliance more effectively

while keeping the power within the existing Part 4 of TCMA 2016 framework, including tribunal oversight, restrictions, penalties and appeal rights. The power will be subject to a defined time period linked to the end of the relevant control or compliance period.

Section 8: Inspecting premises

- 3.59 The Bill amends section 103 of TCMA 2016 in relation to inspections connected with LDT. Inspection powers enable the WRA to enter and inspect business premises, business assets and documents for tax purposes, subject to the limits and safeguards set out in TCMA 2016. Business premises are premises the WRA has reason to believe are used for carrying on a business, but do not include premises used solely as a dwelling.
- 3.60 Under the current legislation, the WRA may carry out an inspection where the occupier agrees to the inspection or where the tribunal has approved it. In practice, this means that where agreement cannot be obtained, the WRA must seek tribunal approval before inspecting the premises. While these arrangements are appropriate in many cases, they can create operational difficulties where there is a need to inspect premises quickly, particularly in relation to suspected unauthorised landfill disposals. In such cases, delays may reduce WRA's ability to establish the relevant facts or secure evidence before it is altered, moved or destroyed.
- 3.61 The Bill therefore introduces an additional route for carrying out inspections of business premises in relation to LDT. As a result, there will be three routes by which an inspection may take place. First, an inspection may continue to be carried out with the agreement of the occupier. Secondly, the WRA may continue to obtain tribunal approval for an inspection, including in cases where prior notice is not appropriate. Thirdly, the Bill will allow the WRA to carry out an inspection without tribunal approval or occupier agreement where specified statutory conditions are met.
- 3.62 Under the new route, the WRA may enter and inspect business premises after giving at least seven days' notice of the inspection. The Bill also provides for inspections to take place without prior notice where giving notice would seriously prejudice the assessment or collection of a WRA-collected tax. This is intended primarily to address situations involving LDT where there is a risk that evidence relevant to potential tax liabilities could be removed, altered or otherwise lost if advance notice were given. In such cases, the WRA may provide the inspection

notice when the WRA officers arrive at the premises and proceed with the inspection immediately.

- 3.63 The amendment brings WRA's inspection powers closer to those available in other UK tax administrations while reflecting the specific needs of the Welsh tax system. In particular, HMRC may carry out inspections under Schedule 36 to the Finance Act 2008⁶ using both announced and unannounced inspection powers in prescribed circumstances. Revenue Scotland also operates a more flexible inspection regime than the current Welsh model. These comparisons support the case for providing the WRA with a more responsive inspection power where rapid action may be necessary to protect tax revenues.
- 3.64 The amendment is intended to reduce operational delays and improve the WRA's ability to respond quickly to significant tax risks in relation to landfill disposal activities. Under the revised regime, decisions to issue inspection notices will not be subject to appeal. However, where a taxpayer receives either contemporaneous notice at the time of inspection or seven days' notice in advance, they may refuse entry to the premises without incurring a penalty. In such cases, the WRA would be required to obtain tribunal approval before carrying out the inspection. This approach is consistent with HMRC's powers. Decisions to exercise the new inspection powers will also remain subject to WRA's public law obligations. Together, these safeguards are intended to ensure that the enhanced inspection powers are exercised proportionately, while allowing the WRA to act effectively when circumstances require a swift response.
- 3.65 In addition, section 8 of the Bill provides that "business premises" for the purposes of inspections under section 103 TCMA are premises in England or Wales. It also provides that under the power in section 103B TCMA in relation to unauthorised disposals, the WRA may carry out an inspection at premises in England or Wales where the occupier of the premises may be chargeable for an unauthorised disposal in Wales. Section 8 also provides that "premises" for the purposes of section 106 (power to inspect premises or property for valuation etc.) are only those in Wales. These changes reflect current WRA operational practice and have been included to rectify ambiguity within TCMA.

Section 9: Late payment interest on taxes collected by the Welsh Revenue Authority

- 3.66 This proposal seeks to amend section 157 of the Tax Collection and Management (Wales) Act 2016 (TCMA) to ensure that late-payment interest is

⁶ [Finance Act 2008](#)

always calculated by reference to the amount of tax that was actually due for each day of the interest period. The amendments clarify and rectify how late payment interest operates where the amount of tax payable changes as a result of a return, correction, assessment or claim.

- 3.67 The current legislation does not expressly provide for interest to be recalculated where a liability is later reduced, creating uncertainty as to whether late-payment interest must be adjusted to reflect the corrected liability.
- 3.68 The policy objective is therefore to ensure that reductions in tax liabilities automatically result in corresponding reductions in late-payment interest. The effect is that the interest charged should reflect the amount of tax that is actually due, including where a taxpayer amends a return to reduce the amount of tax payable. This amendment is clarificatory and gives effect to current operational practice which is to calculate interest by reference to the amount of tax that was actually due for each day of the interest period.

Section 10: Application of the TCMA to the Crown for the purposes of land transaction tax

- 3.69 The Bill amends section 187A(1) of TCMA 2016 to correct typographical and cross-referencing errors and to ensure that, in relation to Land Transaction Tax, the Part 8 of TCMA 2016 review and appeal framework applies to the Crown in the same way as it applies to other taxpayers.
- 3.70 At present, section 187A(1)(e) contains incorrectly cross references to section 172(1) of TCMA 2016 (rather than correctly to section 172(2)(d)) and excludes the Crown from certain appeal rights relating to information notices. These errors create legal uncertainty and result in the Crown not having access to certain review and appeal rights relating to information notices that should be available.
- 3.71 The Bill therefore corrects the statutory references and removes the unintended exclusions so that the Crown may request a review or appeal decisions relating to information notices in the same way as other taxpayers. The only exclusions intended to remain are those linked to penalties, which do not bind the Crown.

Part 2: Land Transaction Tax

Section 11: Exception for collective rights transactions from higher rates of land transaction tax

- 3.72 Collective enfranchisement is the statutory right for a group of qualifying tenants of flats to buy the freehold of their building (and any intermediate leasehold interests). The right is set out in Chapter 1 of Part 1 of the Leasehold Reform, Housing and Urban Development Act 1993. There is a separate tenants' right of first refusal under Part 1 of the Landlord and Tenant Act 1987, which is triggered by a landlord's decision to make a relevant disposal and the service of a notice on the qualifying tenants. Together these rights are referred to as 'collective rights'.
- 3.73 Collective rights are subject to a specified method of calculating Land Transaction Tax under the rules in paragraph 10 of Schedule 14 to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (the 'LTTA'). That calculation is intended to approximate the amount of tax that would arise if each participating leaseholder were able to acquire their share of the freehold separately. Under the current legislation, however, the calculation can still require consideration of the higher residential rates provisions in Schedule 5 to the LTTA due to the inclusion of an anti-avoidance rule. As a result, transactions entered into for the purpose of exercising collective rights can, in some circumstances, be liable to the higher residential rates, notwithstanding the policy intention underlying the relief.
- 3.74 This outcome can arise because of the interaction between the collective rights relief and the higher rates rules in Schedule 5. In particular, where more than one leaseholder participates in the acquisition, the transaction may be treated as a higher rates residential property transaction if the higher rates conditions are met in relation to any one of the participating leaseholders. Similar issues may also arise where a nominee purchaser company is used to acquire the freehold on behalf of the participating leaseholders.
- 3.75 The Bill introduces specific exceptions for persons exercising collective rights within the higher rates provisions in Schedule 5 so that transactions benefiting from relief under paragraph 10 of Schedule 14 to the LTTA are not treated as higher rates residential property transactions. Where the conditions for the relief are met, the transaction will instead be charged to the main residential rates. The amendment is intended to ensure that leaseholders exercising statutory

collective rights are not subject to higher rates outcomes arising from the interaction of existing technical provisions.

- 3.76 The intended effect of the amendment is to support the exercise of collective rights by leaseholders, provide greater certainty about the Land Transaction Tax treatment of these transactions and ensure that the collective rights relief operates effectively. The amendment does not change the operation of the higher residential rates regime for other residential property transactions.

Section 12: Higher rate of land transaction tax: persons who do not count as buyers

- 3.77 The Bill amends Schedule 5 to the LTTA 2017 to address the treatment of 'A to A+B' transactions for higher-rates purposes. The policy objective is that, where a property held by one person (A) is transferred into the joint ownership of A and another individual (B), A is not treated as a buyer for the purposes of Schedule 5.
- 3.78 At present, there is no express carve-out for A in these transactions. On a strict reading of legislation, both A and B may be treated as buyers, which can bring the transaction within the higher residential rates even where B, on their own merits, would not meet those conditions. This creates uncertainty and a risk of inconsistent treatment, particularly in common transactions such as adding a partner to title (which frequently occur when property is remortgaged when a partner has moved into the property between the date of the original mortgage and the remortgage).
- 3.79 The Bill therefore introduces a clarification into Schedule 5 so that, where B is an individual, only B's status and property interests are taken into account for higher-rates purposes. No corresponding change is proposed where B is not an individual. The amendment is intended to operate only in relation to transactions that are within the Schedule 5 rules and not to alter the wider definition of "buyer" elsewhere in the LTTA.
- 3.80 The intended effect is to improve certainty and fairness by ensuring that higher residential rates do not arise solely because A is an owner of the dwelling before and after the transaction in which B obtains a major interest. The amendment will reduce disputes and enquiries in this area.

Section 13: Transactions involving trustees of a bare trust

- 3.81 The Bill makes further amendments to LTTA 2017 to address the effect of the current deeming rule for leases granted to, or by, nominees and bare trustees.

The objective is to ensure that the availability of certain reliefs, and the operation of certain computational rules, is not frustrated in genuine commercial transactions solely because a lease is granted through a bare trustee or nominee.

- 3.82 Under the current law, nominees and bare trustees are generally 'looked through' for LTT purposes with the beneficial owner of the property interest treated as the owner or buyer or seller. This means that where a person (T) acquires a chargeable interest or an interest in a partnership as bare trustee, the Act applies as if the interest were vested in, and the acts of T in relation to it were the acts of, the person or persons for whom T is trustee.
- 3.83 For grants of leases, however, that general approach is flipped. Instead, where a lease is granted to a nominee or bare trustee, the nominee or bare trustee is treated as the buyer of the lease. This is because if the 'look through' rule applied, this could create opportunities to avoid LTT on lease rent where a lease is granted to, or by, a nominee before being assigned to another person. The legislation therefore disapplies the 'look through' rule for the grant of leases, ensuring that LTT on the rental element of the lease applies.
- 3.84 This exception to the general 'look through' treatment can produce undesirable results where the identity of the buyer or seller determines whether relief is available or how tax is calculated, particularly in sale and leaseback arrangements, surrenders and regrants of leases.
- 3.85 The Bill therefore creates a number of limited exceptions so that with sale and leaseback arrangements and surrenders and regrants of leases the beneficial owner is treated as the lessor or lessee for the relevant purposes, rather than the nominee or bare trustee. The intention is not to remove the deeming rule altogether, but to confine its operation so that the original avoidance risk continues to be addressed while other parts of the LTT regime related to specific reliefs operate by reference to beneficial ownership.
- 3.86 The intended effect is to improve legal certainty and ensure that genuinely commercial transactions are not denied relief, or charged more tax, merely because a nominee or bare trustee is used. The amendment will make the calculation of tax more appropriate by removing certain distortions in the application of lease rules. These changes will improve consistency in the administration of LTT, while leaving the wider anti-avoidance protections in LTTA 2017 and TCMA 2016 in place.

Part 3: Landfill Disposals Tax

Section 14: Specified landfill site activities

- 3.87 The Bill amends the LDTA 2017 to clarify that material used within a landfill cell is taxable unless expressly excluded, and to introduce a statutory definition of "landfill cell". The purpose is to reduce uncertainty about what amounts to a taxable disposal at authorised landfill sites.
- 3.88 At present, the LDTA 2017 does not clearly provide that all material used within a landfill cell is taxable unless excluded. The WRA considers that this has led to disputes, inconsistent practices and uncertainty for landfill site operators, and has created differences with approaches elsewhere in the UK. Similar reforms in Scotland have reduced disputes by clarifying that any use of material in a landfill cell is taxable unless specifically excluded.⁷
- 3.89 The provision therefore amends the list of specified landfill site activities so that any use of material in a landfill cell is taxable unless it falls within limited exclusions for certain engineering or operational activities. The exclusions are drainage layers immediately above the base of a cell and the insertion of pipes, pumps or related infrastructure to control liquids or gas. The Bill adopts a statutory definition of a landfill cell based on the Scottish model, also outlined in the Scottish Landfill Tax (Prescribed Landfill Site Activities) Amendment Order 2022.
- 3.90 The intended effect is to give operators and the WRA greater certainty, reduce disputes and litigation, and improve consistency of practice. Officials also consider that the amendment will reduce the risk of assessments and better align the Welsh regime with wider UK developments.

Sections 15, 16 and 17: Interpretation, Coming into force & Short title

- 3.91 These sections at the back of Bill are common administrative provisions to ensure the Bill works as intended. Section 16 provides for commencement. The Act comes into force two months after it receives Royal Assent, beginning with the day on which it receives Royal Assent.

⁷ [Scottish Landfill Tax \(Prescribed Landfill Site Activities\) Amendment Order 2022](#)

4. Consultation

- 4.1. A public consultation on the White Paper *Legislative Proposals Relating to the Welsh Tax Acts*⁸ was undertaken between 5 November 2025 and 26 January 2026.
- 4.2. The consultation sought views on a package of proposed amendments to the Welsh Tax Acts. The consultation included 16 proposals relating to the operation and administration of devolved taxes. The consultation also sought views on the potential impacts of the proposals on the Welsh language.
- 4.3. Respondents were asked to answer questions on issues relating to the operation and administration of devolved taxes in Wales, including:
 - governance arrangements for the Welsh Revenue Authority;
 - taxpayer information-sharing arrangements;
 - repayment and enquiry powers;
 - Penalties and interest;
 - tribunal and appeal processes;
 - Land Transaction Tax and Landfill Disposals Tax administration;
 - other technical and operational improvements to the Welsh Tax Acts;
 - impacts on the Welsh language
- 4.4. During the White Paper consultation exercise, Welsh Government and WRA officials undertook engagement with stakeholders on the operation of the Welsh Tax Acts and the administration of devolved taxes in Wales. This engagement took place through a webinar hosted by the WRA, operational working groups and engagement with tax professionals and representative organisations. Stakeholders engaged included professional bodies, representative organisations and Welsh public service partners.
- 4.5. The engagement covered varying areas of the proposed bill, drawing on the experience of the organisation in question in areas such as enhancing the effectiveness of compliance activity and supporting the WRA in carrying out its statutory functions. The feedback received through this engagement informed the development of the White Paper proposals.

⁸ [Legislative proposals relating to the Welsh Tax Acts White Paper](#)

Consultation response summary

- 4.6. The full summary of responses to the consultation was published in March 2026⁹. Overall, responses to the White Paper were positive. The majority of respondents supporting the proposals welcomed the use of primary legislation to make the proposed changes to the Welsh Tax Acts. Respondents generally agreed that the proposals would improve the administration of devolved taxes, increase clarity and fairness for taxpayers and help ensure the legislation remains effective in the future.
- 4.7. A consistent theme across responses was support for ensuring appropriate safeguards accompany any new powers or changes to administrative processes. Respondents highlighted the importance of transparency, proportionality, legislative clarity and clear guidance for taxpayers and advisers. Particular emphasis was placed on the need for robust safeguards where proposals involved information-sharing or strengthened compliance powers.
- 4.8. Supportive responses were received from a number of organisations and representative bodies, including:
- the Chartered Institute of Taxation (CIOT);
 - the Institute of Chartered Accountants in England and Wales (ICAEW);
 - industry stakeholders and
 - academic respondents.
- 4.9. Respondents supported improving legislative clarity, increasing administrative efficiency and ensuring the Welsh Tax Acts continue to support effective tax administration. Respondents also welcomed the opportunity to address practical issues identified through the operation of the devolved tax system following introduction in 2018.
- 4.10. In total the consultation received nine responses from a range of stakeholders, including professional bodies, representative organisations, academics, industry stakeholders and four individuals. Six substantive responses were received by email and three responses were submitted through the online consultation form.

⁹ [Legislative Proposals Relating to the Welsh Tax Acts - Summary of responses](#)

- 4.11. More detail on the consultation responses and how this feedback has helped inform the design and scope of the levy in four key areas is provided in the next section.

Legislative clarity and accessibility

- 4.12. Respondents welcomed proposals aimed at rectifying and clarifying legislative provisions and reducing uncertainty for taxpayers, advisers and the WRA. Several respondents highlighted the importance of ensuring legislation remains clear, accessible and easy to operate in practice. This feedback has informed the design of the Bill by ensuring that the provisions focus on targeted clarification of existing legislation rather than wider policy change. The Bill therefore seeks to address areas where practical experience since 2018 has identified areas where the Welsh Tax Acts could benefit from increased clarity, including in relation to Land Transaction Tax, Landfill Disposals Tax, enquiry powers, interest and information notices.
- 4.13. Stakeholder feedback also reinforced the approach taken that the scope of the bill is limited to technical, administrative and operational improvements so that it clarifies and refines the statutory framework where uncertainty has arisen.
- 4.14. A number of the changes can only be made by primary legislation which necessitated the development of this Bill. The Bill also includes some changes that could be made by the Welsh Ministers using secondary regulation-making powers provided to them by the National Assembly for Wales when passing the Welsh Tax Acts. The consultation responses supported the Welsh Government's approach for this Bill that all amendments that change the Welsh Tax Acts should be made through primary legislation even when secondary legislation making powers exist. The Bill has been designed to group together the amendments to the respective Welsh Tax Acts (TCMA 2016, LTТА 2017 and LDTA 2017).

Safeguards and taxpayer protections

- 4.15. A consistent theme across the responses was the importance of ensuring appropriate safeguards accompany any new powers or administrative processes. In particular, respondents emphasised the need for robust protections where proposals involved information sharing, compliance powers or changes to taxpayer rights and obligations. Respondents also stressed the importance of transparency and ensuring taxpayers understand how any new powers would operate.

- 4.16. This feedback has directly informed the design and scope of the Bill. For example, the power to withhold repayments during an enquiry has been framed as a discretionary power rather than an automatic consequence of opening an enquiry. The power can only be used where the WRA has reason to believe there is a risk that the amendment to the tax return may not reflect the correct tax position of the taxpayer. The taxpayer is also protected by a number of statutory safeguards, including the requirement for the WRA to have opened an enquiry before the power may be exercised, the requirement to provide written notice of the decision, and the taxpayer's rights under TCMA 2016 to seek a review of, or appeal against, the decision to withhold repayment.
- 4.17. Similarly, the information-sharing provisions have been designed as narrow statutory gateways rather than broad or mandatory disclosure powers. The approach is to allow information to be shared only where proportionate for specified local taxation purposes. The WRA will decide whether to disclose information on a case-by-case basis, and will retain control over what information is shared, with whom and when. The WRA will also ensure that appropriate information-sharing agreements, operational governance, and data protection arrangements will be in place before any disclosures are made. Furthermore, the criminal offence of wrongful further disclosure of PI will ensure that information disclosed to local authorities is managed with appropriately and securely by individuals and local authorities as a body corporate.
- 4.18. Stakeholders' emphasis on safeguards has also informed the approach to inspection powers. The Bill provides a more responsive inspection power, including a no-notice route where prior notice would seriously prejudice assessment or collection of tax, but this is balanced by statutory conditions, notice requirements and the continued application of the wider public law and tribunal oversight framework where relevant.

Proportionality and fairness

- 4.19. Respondents generally supported measures intended to strengthen tax administration provided they remained proportionate and balanced. Stakeholders emphasised the importance of maintaining fairness for taxpayers.
- 4.20. The provisions are designed to address specific gaps, uncertainties or unintended consequences in the Welsh Tax Acts rather than to make broad

changes to the tax system. For example, the amendments relating to late-payment interest ensure that interest is recalculated where the underlying liability is reduced. This clarifies the legislation to make clear that any late-payment interest reflects the amount of tax ultimately found to have been due.

- 4.21. The focus on fairness has also shaped the Land Transaction Tax provisions. Amendments relating to collective rights and bare trust arrangements are intended to prevent the higher rates or additional liabilities arising solely because of technical interactions within the legislation's different provisions, where that outcome would not provide what would otherwise arguably be the fair tax result. Furthermore, in relation to A to A+B transactions the provisions provide clarity in the legislation by ensuring that the higher rates analysis is determined by reference to the position of the additional buyer, rather than being affected by the technical treatment of the existing owner as a buyer. These changes aim to improve certainty for taxpayers and advisers while maintaining the integrity of the LTT regime.
- 4.22. In relation to Landfill Disposals Tax, feedback on the need for clarity and consistency has supported the development of the provision that clarifies what material placed in a landfill cell is taxable unless expressly excluded. The scope of the amendment has been limited to addressing uncertainty and reducing disputes, while retaining specific exclusions for certain engineering and operational activities.

Guidance and stakeholder engagement

- 4.23. Several respondents highlighted the importance of clear operational guidance and continued engagement with taxpayers, advisers and representative bodies during implementation. Respondents noted that clear communication will be essential to support compliance and understanding of the legislative changes.
- 4.24. The Bill sets the statutory framework and key safeguards, while more detailed operational criteria and examples will be developed through WRA guidance and engagement with taxpayers, advisers and delivery partners. This approach is intended to preserve flexibility while ensuring that taxpayers and advisers understand how the provisions will operate in practice.
- 4.25. In particular, the use of guidance will be important where powers are intended to be used only in defined or higher-risk circumstances. For example, the power of

inspection changes for LDT where a business premises may be visited without Tribunal approval or taxpayer consent may only be used if the WRA has grounds for believing that notifying the occupier would seriously prejudice the assessment or collection of LDT, with detailed risk indicators and operational criteria to be set out in WRA guidance rather than exhaustively in primary legislation.

- 4.26. Stakeholder feedback has also reinforced the importance of continued engagement after the Bill is introduced. The Welsh Government and the WRA have already engaged with professional bodies, tax practitioners, representative organisations, academics, taxpayers and Welsh public service partners through existing forums, bilateral discussions and operational working groups. That approach will continue to be important as the Bill progresses and as the WRA develops guidance and operational processes to support implementation.

Areas consulted on in the White Paper not being taken forward in the Bill

- 4.27. The White Paper consulted on a broader package of sixteen proposals relating to the operation and administration of the Welsh Acts.
- 4.28. Following consideration of consultation responses, further policy development and the scope of the legislative vehicle, not all proposals consulted on are being taken forward in the Bill. The Bill proposes amendments to the Welsh Tax Acts to clarify the law, support effective tax administration, address practical operational issues identified by the WRA, or ensure the legislation operates consistently. The following proposals were consulted on but are not being taken forward in the Bill at this time.
- 4.29. The White Paper consulted on amending TCMA 2016 so that the WRA could disclose protected information to the Welsh Government for policy development and research purposes. Further consideration has been given to the case for permitting such disclosure, but this has not proven conclusive at this stage. The matter will continue to be kept under review as new potential future uses emerge.
- 4.30. The White Paper also consulted on inserting a regulation-making power to enable the Welsh Ministers to amend amounts chargeable as fixed penalties by TCMA 2016. Since publication of the White Paper, officials have decided that the scope of the existing powers in TCMA 2016 already provide for the types of possible amendments that may be desirable in future, including changes to penalty amounts and calculation methods. Further work will be undertaken for

the Welsh Minsters to decide what specific changes, if any, could be made in future. Where appropriate, those changes could be made through secondary legislation using the existing power, when the Welsh Ministers consider that to be appropriate.

- 4.31. The White Paper further consulted on increasing the interest rate charged on late payments of tax and penalties so that it would match the rate charged by HMRC, namely the Bank of England base rate plus 4%. The current late-payment interest rate for devolved taxes is the Bank of England base rate plus 2.5%. It was considered that the difference between the WRA and HMRC rates could incentivise some taxpayers to prioritise payment of HMRC debts over debts owed to the WRA, and that HMRC's rate may more accurately reflect commercial lending rates.
- 4.32. This proposal is not being taken forward in the Bill because the late-payment interest rate is set in regulations, namely the Tax Collection and Management (Administration) (Wales) Regulations 2017¹⁰, rather than on the face of TCMA 2016. A change to the rate should therefore be made by regulations rather than primary legislation. Where the effect of the law is solely in secondary legislation that secondary legislation should be used to make changes to that secondary legislation.
- 4.33. The White Paper consulted on amending the LTТА 2017 to specify when consideration provided from outside a corporate group would not result in the withdrawal of group relief (unless the transaction formed part of a scheme or arrangements to avoid LTT).
- 4.34. However, group relief is a highly technical area of LTT legislation, and further policy development will be required before any legislative amendment can be brought forward. Consultation responses also recognised the complexity of this area and the importance of ensuring that any amendment is clear, workable and appropriately limited in scope.¹¹ Any change would need to be carefully targeted to address the specific circumstances identified through consultation, while preserving the wider policy intent of the relief and avoiding unintended effects on related provisions.

¹⁰ [The Tax Collection and Management \(Administration\) \(Wales\) Regulations 2017](#)

¹¹ Notably the Chartered Institute of Taxation (CIOT) in their response to question 13 and the proposals relating to group relief reform stated: "*We are concerned that attempting to amend LTTADT(W)A 2017 to ensure relief is not restricted in relation to identified specific transactions could lead to more complex legislation that may not protect benign scenarios identified in the future and therefore require further amendment.*"

- 4.35. Finally, the White Paper consulted making changes to LTTA 2017 related to the Leasehold and Freehold Reform Act 2024. Further changes are being made at UK level with a subsequent Leasehold and Freehold Reform Bill, Welsh Government officials determined that it is preferable for all amendments to LTTA 2017 to be delivered through UK legislation and scrutinised together.

Reasons for not consulting on a draft bill

- 4.36. The Welsh Government did not undertake a further consultation on a draft Bill.
- 4.37. The provisions included in the Bill are largely consistent with the policy proposals set out in the White Paper, which was subject to a full public consultation. The consultation provided stakeholders with an opportunity to comment on the underlying intent of each proposal and detailed responses from professional bodies, representative organisations, academics and other interested parties received.
- 4.38. The proposals have also been informed by extensive engagement undertaken before and during the consultation period. Given the predominantly technical and administrative nature of the provisions, and the stakeholder engagement already undertaken, the Welsh Government did not consider a further formal consultation on the draft legislation is necessary.
- 4.39. Consultation responses, together with ongoing stakeholder engagement and further policy development, have informed the Bill.

5. Power to make subordinate legislation

5.1. The Bill contains provisions to make subordinate legislation. Table 5.1 (subordinate legislation) sets out in relation to these:

- i. the person upon whom, or the body upon which, the power is conferred;
- ii. the form in which the power is to be exercised;
- iii. the appropriateness of the delegated power;
- iv. the applied procedure; that is, whether it is “affirmative”, “negative”, or “no procedure”, together with reasons why it is considered appropriate.

5.2. The Welsh Government will consult on the content of the subordinate legislation where it is considered appropriate to do so. The precise nature of consultation will be decided when the proposals have been formalised.

Table 5.1: Summary of powers to make subordinate legislation in the provisions of the Taxation (Wales) Bill

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
2(3) New section 14(9) TCMA 2016	Welsh Ministers	Regulations	The power enables Welsh Ministers to prohibit or limit the further delegation of Welsh Revenue Authority (WRA) functions by a person to whom functions have been delegated under section 14(1), where that person is not a reserved authority. The power concerns administrative and operational matters within the existing statutory framework governing the delegation of WRA functions. It provides flexibility to respond to changing administrative arrangements without requiring primary legislation and does not involve significant new policy choices.	Negative resolution procedure (section 189 TCMA 2016)	Regulations made under new section 14(9) are subject to the procedure set out in section 189(3) TCMA 2016, namely annulment in pursuance of a resolution of the Senedd Cymru. The negative procedure is appropriate because the power relates to relatively minor administrative details concerning the onward delegation of WRA functions rather than matters of significant policy. It is also consistent with the scrutiny level applying to related powers concerning the delegation of WRA functions and provides a proportionate level of Senedd oversight.

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
3(7) New section 20A(7) TCMA 2016	Welsh Ministers	Regulations	The power enables Welsh Ministers to amend the list of permitted disclosures that will not attract the criminal offence for further disclosure of protected information. It provides flexibility to respond to changing administrative arrangements.	Draft Affirmative	The Senedd should be provided the opportunity to scrutinise and vote on regulations which will mean new instances that further disclosure of protected information that the WRA shares is permitted.

PART 2 – REGULATORY IMPACT ASSESSMENT

6. Regulatory Impact Assessment (RIA) summary

- 6.1. A Regulatory Impact Assessment has been completed for the Bill, and it follows below.
- 6.2. There are no specific provisions in the Bill which charge expenditure on the Welsh Consolidated Fund.
- 6.3. The following table presents a summary of the costs and benefits for the Bill as a whole. The table has been designed to present the information required under Standing Order 26.6 (viii) and (ix).

<i>Taxation (Wales) Bill</i>		
Preferred option: Implement the package of technical amendments to the Welsh Tax Acts to improve the administration, fairness, consistency, and effectiveness of devolved taxes. The figures below use the central scenario with 50% optimism bias. See Part 2, Chapters 7–8 of the RIA for the options appraisal and costs and benefits analysis.		
Stage: Introduction	Appraisal period: 2027 - 2036	Price base year: 2026
Total Cost Total: £0.42m Present value (PV): £0.37m	Total Benefits Total £3.12m; PV £2.6m	Net Present Value (NPV) £2.23m

Administrative cost

Costs: Administrative costs fall mainly on the WRA, with smaller one-off costs for principal councils. There is a one-off implementation cost of £122,000 and an annual ongoing cost of £30,000 from 2027. Over the ten-year appraisal period, this is £422,000 undiscounted in 2026 prices, with a present value of £367,000. Costs include staff time for data sharing agreements, data protection impact assessments, process design, casework templates, guidance, training, system changes, assurance, audits, information notices and additional inspections. Figures include 50% optimism bias (reducing benefits by 50% and increasing costs by 50%).
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Transitional: £0.12m	Recurrent: £0.3m	Total: £0.42m	PV: £0.37m
Cost-savings: These savings are primarily staff time efficiencies for local authorities and the WRA. The largest savings arise from improved information sharing between the WRA and principal councils, enabling more efficient local tax administration. Further savings arise from avoiding recovery action for incorrectly issued repayments, reducing unnecessary enquiries, clarifying what is a taxable disposal, and streamlining committee arrangements. These are expected to be non-cash releasing staff time savings that can be reallocated to other work. These cost-savings have been included in the estimated benefits of the Bill.			
Transitional: £0	Recurrent: £2.6m	Total: £2.6m	PV: £2.2m
Net administrative cost-savings: £2.18m			

Compliance costs

No quantified compliance costs are expected for private businesses, taxpayers, voluntary organisations or the public. The only taxpayer impacts quantified in the CBA are benefits: time savings and reduced third-party costs. Potential interruption to landfill operators from unannounced inspections is expected to be negligible given the small number of inspections per site and has not been monetised. ,			
Transitional: £0	Recurrent: £negligible	Total: £ negligible	PV: £ negligible

Other costs

No other quantified economic, social or environmental costs have been identified beyond the administrative costs shown above. The CBA does identify changes to tax revenue from some of the proposed policy changes (for example interest recalculations following amendments that reduce a taxpayer's self-assessment and clarifications affecting reliefs), but these are economic transfers and are covered separately rather than treated as additional economic costs.			
Transitional: £0	Recurrent: £0	Total: £0	PV: £0

Unquantified costs and disbenefits

No other unquantified economic, social or environmental costs have been identified beyond the administrative costs shown above. The CBA identifies a number of fiscal impacts associated with the proposed changes. In some cases, these impacts are expected to result in additional tax revenue for the public sector (and thereby increased costs to the taxpayer), while in others there is expected to be a reduction in tax revenue, for example the clarification of who the buyer is in an A to A + B transaction will ensure that certain taxpayers do not pay the higher rates on these transactions. However, these fiscal impacts represent transfers from taxpayers to the public sector (or vice versa).

The proposed White Paper change to reflect leasehold reform in LTTA 2017 (proposal 12) has been excluded from the quantified analysis. The available evidence indicates that relevant collective enfranchisement transactions are rare, fewer than 10 cases have been identified since 2017, and they occur sporadically. This creates too small and uncertain an evidence base to produce robust annual estimates of either costs or benefits. N.B. this change has not been progressed within the Bill.

Benefits

The Bill is expected to generate £52,000 in annual economic benefits through taxpayer time savings and reduced third-party costs. These benefits are driven mainly by information-sharing changes, withholding repayments during enquiries, relief-withdrawal information notices, and improved clarity for taxpayers and landfill operators.

Benefits are modelled as recurring annual steady-state effects over the 2027 to 2036 appraisal period. This is considered proportionate because most non-fiscal benefits relate to ongoing administrative efficiencies and recurring casework impacts. However, the actual profile may vary over time, particularly where compliance gains are affected by behavioural responses, case volumes or diminishing benefits.

A number of important benefits of the Bill are more qualitative and are difficult to quantify robustly. These include improved fairness, transparency, taxpayer experience, legal clarity and consistency across the tax system. These impacts are central to the policy rationale and mean the monetised results are likely to understate the value of the changes.

As outlined above, the estimated administrative cost-savings have also been included in the benefits of the Bill. The analysis also identifies fiscal impacts associated with some of the proposed changes. These are not included in the benefits total because they represent transfers between taxpayers and the public sector rather than net economic

Total: Excluding fiscal revenues: £3.12m	PV: Excluding fiscal revenues: £2.6m
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Key evidence, assumptions and uncertainties

Key evidence, assumptions and uncertainties: The CBA uses the WRA's administrative data and cost estimates, stakeholder interviews with the WRA/Welsh Government officials, local authorities and landfill site operators, and relevant public data. Results are expressed in 2026 prices over a 2027–2036 appraisal period and discounted at 3.5%. A 50% optimism bias adjustment has been applied to both costs and benefits based on HM Treasury Green Book practice. Low, central and high sensitivity scenarios were tested; excluding fiscal revenues, the benefit-cost ratio remains above 1 under the low scenario and is 7.1 in the central scenario.

7. Structure of RIA

- 7.1. This section of the RIA quantifies the likely implications of the changes in terms of increasing and decreasing revenues paid by taxpayers to the Welsh Government. It also quantifies the increasing and decreasing administrative costs to the WRA and where applicable, to local authorities. An additional policy intention is to reduce time and administrative costs to taxpayers. These benefits to taxpayers have not and cannot be quantified to a reasonable degree of certainty, and so do not form part of the following sections. They should not however be disregarded.
- 7.2. The figures in this section are drawn from an independent analysis undertaken by Alma Economics. They were commissioned to quantify the effects of the proposed changes in the [White Paper](#), while complying with Green Book principles and practices such as accounting for optimism bias. In undertaking their research, they conducted stakeholder interviews, assessed the effects of similar measures by HMRC and the Scottish Government, analysed WRA staff activities, as well as the consultation responses. Policy development continued after the consultation concluded and was informed by the responses provided. Some of the changes proposed in the White Paper were not taken forward in this Bill.
- 7.3. It should also be emphasised that the primary policy objectives of these changes are good governance, effective administration, and enhanced clarity for taxpayers. Increasing or reducing revenues or reducing administrative costs are not direct policy objectives, even if they are expected to be secondary effects.
- 7.4. In the case of the Welsh Government's revenues, some measures, such as recalculating interest following an amendment (White Paper proposal 10, Change 7 in this analysis), A to A+B transactions (White Paper proposal 13, Change 9 in this analysis) and on Nominees and leases (White Paper proposal 15, Change 10 in this analysis), are expected to reduce amounts paid by taxpayers, as a direct consequence of increased clarity and accuracy. Other changes are expected to increase revenue paid.
- 7.5. However, these increases would be due to better accuracy and reduced non-compliance with the current rules, rather than across-the-board increases. For the vast majority of taxpayers who currently pay the correct amount of tax, these changes are not expected, or intended to, increase their tax liabilities. For example, local authorities may find the increased information provided by the WRA could lead to more council taxpayers correctly paying the premium rate of council tax.

Caveats and limitations

This RIA should be read considering several important caveats:

- **Limited data availability:** Where precise estimates for consistently recorded data on staff time, casework activity and administrative processes were not feasible, the analysis was informed by available data, stakeholder engagement and plausible upper and lower estimates.
- **Behavioural uncertainty:** Taxpayer behaviour, WRA operational changes and local authority responses are difficult to predict before implementation and may continue to evolve after the Bill is introduced. This is particularly the case where reforms introduce new powers, processes or incentives.
- **External factors:** As with any analysis, impacts may be affected by wider economic conditions, inflation, staffing capacity, operational constraints and the pace at which new processes are embedded.
- **Non-quantified impacts:** Some important objectives of the Bill, including improved fairness, transparency, taxpayer experience, legal clarity and consistency across the tax system, are difficult to quantify robustly. These impacts are central to the policy rationale and mean the monetised results are likely to understate or overstate the value of the changes.

Table 1: Proposals

Number	Change	Included in quantitative analysis
1	Welsh Revenue Authority committees and sub-committees: participation by persons who are not members of the authority	Yes
2	Delegation of Welsh Revenue Authority functions	No – reasons provided in Chapter 8
3	Disclosure of protected information	Yes
4	Power to withhold repayments of tax during Welsh Revenue Authority enquiry	Yes
5	Claims for relief for overpaid tax: repayment of late payment interest	Yes
6	Information notices to check whether a relief has been withdrawn	Yes
7	Powers of inspection	Yes
8	Recalculating interest amounts following an amendment	Yes
9	Taxable disposals	Yes
10	“A to A+B” transactions	Yes
11	Nominees and leases	Yes
12	LTTA application to the Crown	No – reasons provided in Chapter 8
13	Reflecting leasehold reform in LTTA	No – reasons provided in Chapter 8

Fiscal impact

- 7.6. The broader analysis includes estimated impacts on total tax revenues and tax paid where these are likely to arise from the changes. However, increasing or reducing tax revenues is not the main purpose of the Bill. The Bill is to primarily make the Welsh Tax Acts work in the way intended and in a more effective and efficient way, by improving administration, clarity, fairness and consistency. Some of the changes may affect tax revenues, for example by helping the WRA or local authorities identify tax that is due, or by correcting areas where taxpayers may currently self-assess themselves incorrectly.
- 7.7. These revenue impacts are treated separately because they are transfers between taxpayers and the public sector. Some proportion of these transfers may arise from taxpayers located outside Wales and therefore may represent a net gain to Wales. However, this gain cannot credibly be quantified with any degree of certainty. Consistent with the Green Book, the net economic effect of the transfers is therefore assumed to be neutral. Nevertheless, the transfers are still presented in this assessment for transparency and to demonstrate the anticipated redistribution of costs between taxpayers and the public sector. For that reason, the value for money assessment looks at the position both including and excluding changes to tax revenues.

Methodology

- 7.8. The quantified assessment in this RIA is based on the cost-benefit analysis prepared by Alma Economics commissioned to support the preparation of the RIA for the Bill. That report sets out the modelling approach, evidence sources, assumptions, sensitivity analysis and value for money assessment used to estimate the financial and economic impacts of the proposed changes. The RIA therefore uses the Alma Economics report as its primary analytical evidence base, supplemented by the wider policy rationale and qualitative assessment of impacts.
- 7.9. As noted above, the RIA distinguishes between economic benefits and revenue impacts. Revenue impacts have been modelled where there is a foreseeable consequence of the provisions, because they are relevant to understanding the potential financial implications of the Bill and who is affected. However, they are not the focus of the central analysis. This is because increasing or reducing revenues is not the objective of the Bill.
- 7.10. The Bill is primarily intended to improve the administration, fairness, clarity, consistency and effectiveness of the Welsh Tax Acts. In addition, revenue impacts represent transfers between taxpayers and the public sector rather than

net economic benefits at the societal level. The central value for money assessment therefore focuses on the resource impacts, such as administrative efficiencies, staff time savings, taxpayer time savings and reduced third-party costs. Fiscal and revenue impacts are presented separately to provide transparency on the potential financial effects of the Bill.

- 7.11. The Alma Economics analysis used a range of evidence sources. These include data provided by the WRA, cost estimates supplied by the WRA operational teams, stakeholder interviews, publicly available datasets and the targeted review of relevant external evidence. The WRA data included aggregated information on repayments, overpayment relief claims, liabilities, debts, interest calculations, and casework relevant to the proposed changes. Stakeholder engagement included discussions with the WRA, Welsh Government officials, local authorities, and representatives from sectors affected by specific proposals, including landfill site operators. Where direct evidence was unavailable, informed assumptions were developed and sense-checked with relevant stakeholders.
- 7.12. In accordance with the Green Book principles, a 50% optimism bias adjustment is applied to both costs and benefits in the central results. This adjustment reflects the uncertainty inherent in forecasting future costs and benefits, including the possibility that initial estimates may be systematically optimistic or that implementation challenges may arise. The use of optimism bias provides a conservative basis for the assessment and is supported by further sensitivity and break-even analysis.

Summary

Table 2: Benefits and costs of the Taxation (Wales) Bill, per annum, including optimism bias

Change	Proposed amendment	Revenue changes ^{1,2}	Staff time savings	Other benefits	One-off costs	Ongoing costs
Change 1	WRA committees and sub committees	£0	£4,000	£0	£1,000	£0
Change 2	Permitted disclosure of protected information to principal councils	£95,000	£243,000	£0	£55,000	£5,000
Change 3	Power to withhold repayments of tax	£84,000	£8,000	£25,000	£17,000	£1,000

	during WRA enquiry					
Change 4	Claims for overpayment relief	£0	£3,000	£1,000	£1,000	£0
Change 5	Information notices to check whether a relief has been withdrawn	£86,000	£0	£0	£17,000	£23,000
Change 6	Powers of inspection	£53,000	£0	£0	£22,000	£1,000
Change 7	Recalculating interest amounts following an amendment	-£71,000	£0	£0	£8,000	£0
Change 8	Taxable disposals	£0	£2,000	£20,000	£1,000	£0
Change 9	"A to A+B" transactions	-£2,000	£0	£6,000	£0	£0
Change 10	Nominees and leases	-£11,000	£0	£0	£0	£0
Total		£234,000	£260,000	£52,000	£122,000	£30,000

1. A positive figure represents an increase in tax revenue and a corresponding cost to the private sector and vice versa.

2. This column is not included in the calculation of social value.

7.13. The cost-benefit analysis indicates that the Bill is expected to deliver positive overall benefits. Under the central scenario, and after applying a 50% optimism bias adjustment to both costs and benefits, the proposals are estimated to generate annual economic benefits of around £310,000. This comprises approximately £260,000 of staff time savings and £50,000 of other benefits, including taxpayer time savings and reduced third-party costs. One-off implementation costs are estimated at around £120,000, with additional ongoing costs of around £30,000 per year.

7.14. The largest quantified benefits arise from Change 2 (information-sharing powers), which is expected to generate staff time savings for local authorities and support more effective tax administration. Change 3 (withholding repayments

during an enquiry) and Change 5 (information notices to check whether a relief has been withdrawn) are also material contributors to the Bill's overall benefits. In addition to administrative and operational improvements, some measures are expected to provide direct benefits to taxpayers by increasing certainty, reducing compliance burdens, and ensuring that the legislation operates as intended.

- 7.15. Over the ten-year appraisal period from 2027 to 2036, the Bill is estimated to generate benefits with a present value of £2.595 million, compared with present value costs of £367,000. These figures exclude fiscal transfers between taxpayers and the public sector, consistent with the Green Book. This results in a net present value of £2.228 million and a benefit-cost ratio of 7.1:1. The Bill is also expected to increase tax revenues. These fiscal impacts have a present value of approximately £1.946 million, thereby increasing revenue to the public sector, but at a cost to individual taxpayers. Consistent with HM Treasury appraisal guidance, these transfers are presented separately because they represent a transfer between taxpayers and the public sector rather than an increase in overall economic welfare. However, these impacts remain important for transparency and scrutiny because they affect both public finances and taxpayers.
- 7.16. Tables 2 to 5 below summarise this analysis. Given the Bill comprises a number of distinct and unrelated amendments, the remainder of the RIA also provides a more detailed assessment of the impacts associated with individual provisions. This additional analysis is included to support transparency and scrutiny and should be read alongside the aggregated assessment of costs and benefits presented above

Table 3: Present value of benefits and costs over ten years

Present value	
Present value of benefits	£2,595,000
Present value of one-off costs	£118,000
Present value of ongoing costs	£249,000
Additional public sector revenue	£1,946,000
Corresponding cost to taxpayers	(£1,946,000)
Net economic effect of fiscal transfers	£0
Net Present value	£2,228,000
Benefit-cost ratio	7.1

Table 4: Sensitivity analysis on costs and benefits, excluding revenue changes

Change	Benefits: Low	Benefits: Central	Benefits: High	Costs: Low	Costs: Central	Costs: High
Change 1	£1,000	£4,000	£11,000	£2,000	£1,000	£0
Change 2	£162,000	£243,000	£324,000	£110,000	£60,000	£31,000
Change 3	£17,000	£33,000	£50,000	£24,000	£18,000	£11,000
Change 4	£3,000	£4,000	£5,000	£2,000	£1,000	£0
Change 5	£0	£0	£0	£114,000	£40,000	£17,000
Change 6	£0	£0	£1,000	£35,000	£23,000	£12,000
Change 7	£0	£0	£0	£11,000	£8,000	£6,000
Change 8	£11,000	£22,000	£34,000	£2,000	£1,000	£0
Change 9	£1,000	£6,000	£14,000	£1,000	£0	£0
Change 10	£0	£0	£0	£1,000	£0	£0
Total	£195,000	£312,000	£439,000	£302,000	£152,000	£77,000
Benefit-cost ratio	1.5	7.1	24.7	-	-	-

Table 5: Financial benefits and costs by body, excluding revenue changes

Body	Benefits	Costs
WRA	£17,000	£120,000
Local authorities	£243,000	£32,000
Taxpayers	£52,000	£234,000
Total	£312,000	£152,000

Table 6: Financial benefits and costs by body, including revenue changes

Body	Benefits	Costs
WRA	£156,000	£120,000
Local authorities	£338,000	£32,000
Taxpayers	£52,000	£52,000
Total	£546,000	£152,000

8. Costs and benefits

- 8.1. This section assesses the likely costs and benefits of the provisions in the Bill by comparing each proposal with the business-as-usual position. The provision-level analysis is included to support transparency and scrutiny of the specific measures and should be read as supplementary to the overall assessment of the Bill's costs and benefits.
- 8.2. For the purposes of this assessment, the business-as-usual position is the continuation of the current legislative framework and administrative arrangements without amendment. The analysis therefore considers the extent to which the proposals are expected to alter existing administrative processes, compliance activity, legal certainty, revenue and taxpayer experience. In line with the methodology adopted for the wider appraisal, the assessment distinguishes, where relevant, between one-off implementation costs, ongoing administrative costs, administrative savings and wider qualitative benefits.
- 8.3. Under the business-as-usual (BAU)/ no policy change position, the issues addressed by the Bill would remain unresolved. In some cases, the present legislation gives rise to uncertainty or ambiguity; in others, it limits the WRA's operational flexibility or constrains the ability of public bodies to work together efficiently. The proposals are intended to address these issues by clarifying legislation, strengthening administrative powers, improving operational efficiency and, in some cases, protecting, increasing or reducing revenues. Some changes will lead to positive taxpayer impacts, such as A to A+B and the collective rights changes, particularly to those taxpayers who currently pay the correct amount of tax.
- 8.4. The appraisal covers a ten-year period from 2027 to 2036, with implementation costs assumed to arise from 2027 and benefits expected to begin in the same year. This appraisal period has been used to capture both the one-off implementation costs of the Bill and the ongoing costs and benefits expected to recur over time. All monetary values are presented in real terms using 2026 prices, and future costs and benefits have been discounted using the 3.5% discount rate. Unless otherwise stated, costs and benefits have been rounded to the nearest £1,000. Some totals in tables may not sum due to this rounding.

Detailed options assessment

Change 1: WRA Governance

(Bill section 1: Participation in Welsh Revenue Authority committees by persons who are not members of the authority)

Business As Usual

- 8.5. Under the current position, there is a lack of clarity about which WRA committees or sub-committees must include non-executive membership and about the extent to which non-Board WRA staff who sit on committees can formally vote. In practice, this can create ambiguity in committee arrangements and may limit the efficiency and certainty of the WRA governance processes.

Proposal

- 8.6. This change clarifies that non-executive board members would not necessarily be required to sit on all committees dealing with operational decisions. In practice, the WRA Board would be able to determine which committees require non-executive membership, either by establishing committees itself or by authorising staff to establish committees subject to conditions about their composition. The change would also allow WRA staff who are not board members to participate in, and vote on, committees where authorised to do so. The policy aim is to improve governance by reinforcing the separation between Board oversight and day-to-day operational decision-making.

Costs

- 8.7. The costs associated with the proposed changes are limited to one-off implementation activity in 2027. These implementation costs primarily consist of transitional and one-off staff-related costs, including updating governance arrangements, revising committee terms of reference, making administrative changes, and supporting associated meetings and documentation updates. Assumptions regarding the staff time required for these activities were combined with the average WRA hourly staff costs in order to monetise the expected implementation costs. The proposal is not expected to generate any significant ongoing costs once implementation has been completed. As a result, no recurring costs were included within the assessment.

Benefits

- 8.8. The estimated savings are based on a number of assumptions, including a counterfactual under which non-executive Board member attendance would be required at the relevant WRA committees. Under the central scenario, three committees would no longer require non-executive attendance, generating savings in non-executive time. The change would also provide greater flexibility

in establishing and convening committees and sub-committees, as their operation would be less dependent on the availability of non-executive members.

Table 7: Summary of expected impacts – Change 1

Impact	Central estimate
Fiscal impact	N/A
Staff time savings	Around £4,000 a year
Other non-fiscal benefits	None monetised
One-off cost	Around £1,000 in 2027
Ongoing cost	£0

- 8.9. The change in Bill section 2 on Delegation of Welsh Revenue Authority Functions has been excluded from the quantified analysis as it was not included in the analysis by Alma Economics. It is a technical clarification to the WRA's delegation powers rather than a change expected to alter behaviour, compliance activity, or tax liabilities in practice. As no quantifiable change in administrative burden, taxpayer behaviour, or fiscal revenue is expected, the impact is treated qualitatively rather than monetised in the analysis.

Change 2: Information sharing powers

(Bill section 3: Disclosure of protected information)

Business As Usual

- 8.10. At present, section 18(1) of the TCMA 2016 limits the circumstances in which the WRA can disclose protected information. Under BAU, this constrains the ability of the WRA to share relevant information with local authorities for the purposes of their functions, which may limit opportunities to improve compliance, reduce duplication and support more effective public administration.

Proposal

- 8.11. These changes would expand the WRA's ability to share protected information with principal councils for council tax and non-domestic rates purposes. They would also extend information-sharing gateways so that data can be used more effectively regarding the visitor levy for WRA tax administration purposes.

Costs

- 8.12. The costs of these changes comprise one-off implementation costs for both principal councils and the WRA, and ongoing costs for the WRA. Local authority

implementation costs are expected to be limited to one-off activities such as staff training, drafting operational guidance and staff meetings. The WRA implementation costs include data-sharing agreements, memoranda of understanding, data protection impact assessments, process design, data-handling changes, training, stakeholder engagement and system set-up. The model also includes ongoing WRA costs associated with administering data-sharing requests, assurance and audit activity. No additional ongoing costs to local authorities have been identified.

- 8.13. The central estimate, after the adjustment for uncertainty, is around £55,000 of one-off costs and around £5,000 a year of ongoing WRA costs.

Benefits

- 8.14. The monetised benefits of the change arise from improved information sharing between the WRA and principal councils. The changes are expected to allow councils to use WRA data, particularly land transaction tax data, to identify property ownership and occupancy information more efficiently and to support more targeted local tax enforcement activities. This is expected to reduce local authority staff time and support increased compliance for council tax and non-domestic rates.
- 8.15. The central estimate is around £243,000 a year in administrative cost-savings after the adjustment for uncertainty.

Fiscal and taxpayer impacts

- 8.16. The central estimate includes a fiscal impact of around £95,000 a year. This reflects the possibility that better information sharing will help principal councils identify local taxes that are due. This amount is not counted as a net non-fiscal benefit in the central value-for-money calculation because it represents a transfer from taxpayers to the public sector.
- 8.17. This does not mean the taxpayer impact is unimportant. It is shown separately so that the public sector revenue effect and the impact on affected taxpayers is identified.

Table 8: Summary of expected impacts – Change 2

Impact	Central estimate
One-off implementation cost	Around £55,000 in 2027, covering WRA and principal council implementation activity.
Ongoing administrative cost	Around £5,000 a year for WRA administration, assurance and audit activity.

Non-fiscal benefits	Around £243,000 a year, mainly from local authority staff-time savings.
Fiscal impact	Around £95,000 a year in additional local tax revenue. This is shown separately because it is matched by a cost to affected taxpayers.
Overall assessment	This is expected to be the largest quantified non-fiscal benefit in the Bill.

Change 3: Withholding repayments during an enquiry

(Bill Section 4: Power to withhold repayments of tax during Welsh Revenue Authority enquiry)

Business As Usual

8.18. Under the current position, the WRA may need to make repayments before an enquiry can be opened. Under BAU, this creates a risk that repayments are later found to have been made in error and then the WRA must attempt to recover them. This can result in staff time costs, risk of loss of revenue and difficulty for taxpayers if funds received later need to be repaid.

Proposal

8.19. The proposal would give the WRA power to withhold repayments while undertaking an enquiry into a return made relating to LTT and LDT, rather than issuing refunds automatically, as is the case under the current system. The policy intent is to protect revenue and avoid the need to recover payments made, potentially, prematurely.

Costs

8.20. Implementation costs will include updates to operational processes, staff guidance and staff training. There may also be some ongoing administrative costs associated with managing cases where repayments are withheld. Cost estimates are based on several assumptions about the staff resources required to undertake these activities. In some cases, there may be a temporary cash-flow disbenefit for taxpayers whose repayment is delayed while an enquiry is ongoing but only in the event that repayment is later found to be appropriate.

8.21. The associated costs are estimated at approximately £17,000 in implementation costs in 2027 and approximately £1,000 per year in ongoing WRA costs.

Benefits

8.22. The benefits are primarily administrative, as the change is expected to reduce the WRA staff time spent recovering repayments that were issued incorrectly. It may also reduce costs for taxpayers by lowering the likelihood that they will need

to seek professional advice after receiving a repayment that is later found to be incorrect and must be repaid

- 8.23. The associated benefits are estimated to be approximately £33,000 per year, comprising around £8,000 in WRA staff time savings and £25,000 in taxpayer third-party cost savings.

Fiscal and taxpayer impacts

- 8.24. The fiscal effect reflects revenue protection where amounts are not paid and later unrecovered. This is shown separately from the non-fiscal value-for-money calculation as because it represents a transfer from taxpayers to the public sector.

Table 9: Summary of expected impacts – Change 3

Impact	Central estimate / treatment
Fiscal impact	Around £84,000 a year
Staff-time savings	Around £8,000 a year
Other non-fiscal benefits	Around £25,000 a year to taxpayers
One-off cost	Around £17,000 in 2027
Ongoing cost	Around £1,000 a year

Change 4: Claims for overpayment relief

(Bill section 5: Claims for relief for overpaid tax: repayment of late payment interest and section 6: Giving reasons for not giving effect to claims for relief in case of excessive assessment or overpaid tax)

Business As Usual

- 8.25. The current position appears to leave uncertainty as to whether the WRA must open an enquiry in order to reject a claim under section 67 of the TCMA 2016, even when the WRA considers it clear that one of the reasons for not making repayment exists and an enquiry is not needed. In practice, the WRA has opened enquiries solely in order to issue a closure notice rejecting such claims. Under BAU, that uncertainty, avoidable procedural burden, delay and administrative handling will continue.

Proposal

- 8.26. The proposal would clarify and rectify the legislation to ensure that the WRA does not need to open an enquiry in order to reject a claim for overpayment relief, including where relief should have been claimed in the original return or in an amendment to that return. Instead, such claims could be refused without the need for an enquiry, reducing unnecessary administrative steps for both the WRA and taxpayers. This is intended to simplify the handling of such claims. This change requires the WRA to make a decision as to whether an enquiry needs to be opened or not. As this is an additional process point, it does theoretically represent an ongoing cost for the WRA. However, any amount would be negligible and would be covered by existing WRA resources and expenditure. As such, this theoretical addition has not been quantified.

Costs

- 8.27. The proposal is expected to involve only limited implementation costs, primarily staff time to update internal processes, revise guidance and amend casework templates. No material ongoing costs are expected and therefore none have been included in the analysis. The estimated one-off cost of this change is around £1,000 in 2027.

Benefits

- 8.28. The benefits are expected to be modest but useful. The change would allow invalid overpayment relief claims to be rejected earlier, giving taxpayers quicker certainty and reducing the need for formal enquiries. Some taxpayer and WRA staff time savings are also expected.
- 8.29. The main administrative benefit is a reduction in unnecessary enquiries. This is expected to save WRA staff time currently spent reviewing and progressing claims that ultimately cannot succeed. The estimates are based on assumptions about the number of affected claims and the amount of staff time that could be avoided.
- 8.30. The change is estimated to generate annual benefits of around £4,000, comprising approximately £3,000 of WRA staff time savings and £1,000 of taxpayer time savings. These estimates apply from the first year of implementation onwards.

Table 10: Summary of expected impacts – Change 4

Impact	Central estimate / treatment
Fiscal impact	NA
Staff-time savings	Around £3,000 a year

Other non-fiscal benefits	Around £1,000 a year to taxpayers
One-off cost	Around £1,000 in 2027
Ongoing cost	£0

Change 5: Information notices to check whether a relief has been withdrawn

(Bill section 7: Taxpayer notices following a tax return)

Business As Usual

8.31. At present, WRA does not have a specific power to issue an information notice to check whether the conditions for withdrawal of a relief have been met. Under BAU, this may constrain targeted verification and reduce the effectiveness of compliance checking.

Proposal

8.32. The proposal would amend the TCMA 2016 so that the WRA could issue information notices to gather information to check whether the relief withdrawal conditions have been met. This would strengthen the WRA's compliance toolkit in this area, enabling it to gather sufficient information once enquiry windows have closed (but before the relief withdrawal period has expired), and to confirm whether tax relief is withdrawn.

Costs

8.33. This change would generate implementation costs associated with establishing the new notice process, including assurance work, template development and staff training. There would also be ongoing costs from additional staff time needed to prepare, issue and manage additional information notices. There will also be compliance costs for taxpayers or agents who must respond to such notices.

8.34. The costs of the relief withdrawal measure are expected to fall on the WRA. With optimism bias applied, there would be a one-off implementation cost of around £17,000 to put the new arrangements in place, and ongoing costs of around £23,000 a year to operate them.

Benefits

8.35. The primary benefit for this proposal relates a more efficient and accurate tax system. The enhanced ability to issue information notices is expected to improve the WRA's capacity to identify cases where reliefs have been withdrawn because

the relevant qualifying conditions are no longer satisfied. As a result, the WRA is expected to recover tax revenues that would otherwise have been foregone by taxpayers failing to send in a further return to repay the tax relief previously given. It is shown separately and not counted as a net non-fiscal benefit in the central value-for-money calculation. As with the other fiscal impacts identified in this analysis, for any additional tax revenue collected by the public sector, there is a corresponding additional cost to the taxpayer.

- 8.36. In summary, when fiscal revenues are excluded, this change shows no quantified benefits and only costs, namely around £17,000 of implementation costs and £23,000 of annual ongoing costs.

Table 11: Summary of expected impacts – Change 5

Impact	Central estimate / treatment
Fiscal impact	Around £86,000 a year
Staff-time savings	£0
Other non-fiscal benefits	NA
One-off cost	Around £17,000 in 2027
Ongoing cost	Around £23,000 a year

Change 6: Inspecting premises

(Bill section 8: Inspecting premises)

Business As Usual

- 8.37. Under the current legislative framework, the WRA may need tribunal or taxpayer approval before carrying out certain inspections. Under BAU, this may delay inspections, reduce flexibility and weaken the effectiveness of compliance activity.

Proposal

- 8.38. This change would allow the WRA to undertake inspections of business premises for landfill disposals tax purposes without requiring prior tribunal or taxpayer approval. The objective is to strengthen the WRA's ability to investigate suspected tax evasion, improve the speed and effectiveness of enforcement activity, and support greater compliance within the landfill sector.

Costs

- 8.39. The costs of this change comprise one-off implementation costs and ongoing WRA operational costs. The model estimates the increase in inspections, the

average volume of misclassified waste identified per inspection, and the tax differential between the standard and lower landfill disposals tax rates.

Unannounced inspections could interrupt day-to-day operations at landfill sites because staff may need to pause activities to facilitate the inspection. However, given the small number of these new non-tribunal approved unannounced visits expected to occur at any individual site, these impacts are considered negligible and have not been monetised.

- 8.40. The costs of the change are expected to fall on the WRA. There would be one-off implementation costs of around £22,000 in the first year to update procedures and provide training, together with ongoing costs of around £1,000 a year associated with carrying out additional inspections.

Benefits

- 8.41 The monetised benefits of this change would arise primarily from improved compliance and enforcement in relation to landfill disposals tax. The proposed change would allow the WRA to conduct inspections of business premises without prior tribunal or taxpayer approval. This is expected to enable the WRA to undertake inspections more swiftly and to identify cases where waste has been misclassified, for example where waste subject to the standard rate has been declared at the lower rate.

Fiscal and taxpayer impacts

- 8.42 The main impact of these changes are expected to arise primarily to tax revenue. The change is estimated to generate around £53,000 per year in additional tax revenue through improved compliance and the identification of incorrectly classified waste. However, this represents a transfer from taxpayers to the public sector rather than a net economic benefit.

Table 12: Summary of expected impacts – Change 6

Impact	Central estimate / treatment
Fiscal impact	Around £53,000 a year
Staff-time savings	£0
Other non-fiscal benefits	NA
One-off cost	Around £22,000 in 2027
Ongoing cost	Around £1,000 a year

Change 7: Recalculating interest amounts following an amendment

(Bill section 9: Late payment interest on taxes collected by the Welsh Revenue Authority)

Business As Usual

- 8.44. The current legislative position may not always ensure that late payment interest payable properly reflects the amended amount of tax due. Under BAU, this may create inaccuracies, disputes or manual correction work.

Proposal

- 8.45. This change would amend the TCMA 2016 so that interest calculations reflect reductions in tax liability when taxpayers amend their returns and the amount of tax payable reduces. Under the current legislation, interest calculations are adjusted upward from the payable date where liabilities increase, but the current legislation does not expressly provide for the late payment interest to be calculated on the reduced amount from the payable date, but rather the date the amended return was made. The change is intended to improve fairness, ensure taxpayers are charged late payment interest only on the liability, and align Welsh tax administration more closely with the rest of the UK.

Costs

- 8.46. The WRA is already applying an operational approach consistent with the proposed legislative change. The provision would place that approach on a clear statutory footing, improving fairness, consistency and legal certainty. Any additional implementation activity arising specifically from the legislative amendment is expected to be limited, and no ongoing costs are anticipated.

Benefits

- 8.47. The main rationale for the change is to improve fairness and ensure that interest is charged consistently with the final tax liability.

Fiscal and taxpayer impacts

- 8.48. The monetised impact of Change 7 is a reduction in the revenue, and a corresponding benefit to the taxpayer, provided by the current interest rules and a fiscal benefit to the taxpayer. The impact is estimated to be around £71,000 per year. Under the proposed approach, where taxpayers amend their returns so a lower amount is payable, interest calculations would be recalculated to reflect the reduced tax liability. This means some interest that would otherwise be collected under the current rules would no longer be due. The analysis treats this as a reduction in tax revenues, while recognising that the policy objective is to improve fairness and ensure taxpayers are charged interest only pay interest on the tax owed (be that on the return or the return if subsequently amended).

- 8.49. This reduction in revenue represents a transfer from the public sector to individual taxpayers rather than a net economic cost or benefit.

Table 13: Summary of expected impacts – Change 7

Impact	Central estimate / treatment
Fiscal impact	Around –£71,000 a year (a reduction in tax revenue)
Staff-time savings	£0
Other non-fiscal benefits	NA
One-off cost	Around £8,000 in 2027
Ongoing cost	£0

Change 8: Taxable disposals

(Bill section 14: Specified landfill site activities)

Business As Usual

- 8.50. Current provisions within the LDTA 2017 do not provide that all material used within a landfill cell is taxable unless excluded. This lack of clarity as to whether material used within a landfill cell is taxable or not can lead to disputes between the WRA and the taxpayer. Such disputes can be costly and time-consuming and lead to litigation. Furthermore, it can lead to inconsistent practices between landfill sites and difficulty in enforcing a uniform interpretation of the law. Inconsistencies can distort competition and undermine the principles of consistent taxation and fairness. These will continue under BAU.

Proposal

- 8.51. The proposal would amend the LDTA 2017 to specify that using material in a landfill cell is a specified landfill site activity to be treated as a taxable disposal. The proposal is to use the same definition of landfill cell as used in the Scottish landfill tax framework. This is intended to provide greater clarity and consistency.

Costs

- 8.52. The updated definition of ‘landfill cell’ and confirming that anything placed in a landfill cell is a taxable disposal is not, by itself, intended or expected to increase or decrease the amount of revenue that taxpayers pay as the change reflects current operational practice. As such, the direct fiscal benefits to taxpayers are not quantified here. The costs are expected to be low and mainly associated with

guidance, communication and familiarisation by landfill site operators and WRA staff. The estimates for this change are based on assumptions about the number of disputes and queries relating to taxable disposals that would be avoided because of greater legal clarity. The analysis assumes savings in both WRA staff time and the time and professional costs incurred by landfill site operators.

- 8.53. There are estimated to be one-off implementation costs of around £1,000 in the first year for the WRA. No ongoing cost is expected in the central estimate.

Benefits

- 8.54. There are two main benefits from this proposal. The first relates to time savings for landfill site operators. As the proposed changes are expected to improve legal clarity and reduce uncertainty, landfill site operators are also expected to spend less time on disputes and seeking clarification regarding the tax treatment of specific disposals. These benefits are estimated at around £20,000 per year and arise to landfill site operators.
- 8.55. The second benefit stream relates to staff time savings for the WRA. The proposed clarification is expected to reduce the number of disputes and compliance queries relating to whether particular uses of material within landfill sites constitute taxable disposals. The reduction in ambiguity within the legislation is expected to lower the volume of casework and associated administrative activity undertaken by the WRA. These benefits are estimated at around £2,000 per year and arise to the WRA.

Table 13: Summary of expected impacts – Change 8

Impact	Central estimate / treatment
Fiscal impact	NA
Staff-time savings	Around £2,000 a year
Other non-fiscal benefits	Around £20,000 a year
One-off cost	Around £1,000 in 2027
Ongoing cost	£0

Change 9: A to A+B transaction

(Bill section 12: Higher rate of land transaction tax: persons who do not count as buyers)

Business As Usual

- 8.56. Under BAU, the existing legislation does not expressly address whether A is treated as a buyer in an A to A+B transaction, creating uncertainty in the application of the higher rates rules.

Proposal

- 8.57. This change would address that, in transactions where a property is transferred from “A to A+B”, the original owner (“A”) is not treated as a buyer for LTT higher residential rates purposes. The current legislation creates uncertainty because it is unclear whether the original owner should also be assessed as acquiring an interest in the property. The amendment is intended to improve fairness, provide certainty for taxpayers, and prevent unintended higher-rate tax charges.

Costs

- 8.58. For this change, the costs are expected to fall on the WRA. The estimates for the proposal are based on assumptions about the proportion of A to A+B transactions that are currently affected by uncertainty and the amount of time taxpayers spend determining their tax liability. The analysis also assumes that a proportion of taxpayers seek professional advice and would incur lower third-party costs as a result of the clarification.
- 8.59. The proposal would require minor updates to guidance and staff training to reflect the clarified treatment of A to A+B transactions. These are expected to be one-off implementation costs of less than £1,000 in the first year, with no material ongoing costs identified.

Benefits

- 8.60. For this change, the benefits are expected to arise mainly for taxpayers. The clarification is expected to reduce uncertainty about the tax treatment of A to A+B transactions, helping taxpayers spend less time determining their tax position and reducing the cost of professional advice. The number of affected transactions is expected to be small. As such, these benefits are estimated at around £6,000 per year, of which approximately £1,000 relates to taxpayer time savings and £5,000 to reduced third-party costs.

Fiscal and taxpayer impacts

- 8.61. The proposed change is expected to result in a small reduction in Welsh Government tax revenues of around £2,000 per year. This is an economic transfer from the public sector to individual taxpayers.

Table 14: Summary of expected impacts – Change 9

Impact	Central estimate / treatment
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Fiscal impact	Around -£2,000 a year (a reduction in tax revenue)
Staff-time savings	£0
Other non-fiscal benefits	Around £6,000 a year
One-off cost	£0
Ongoing cost	£0

Change 10: Nominees and leases

(Bill section 13: Transactions involving trustees of a bare trust)

Business As Usual

8.62. The usual “look-through” rules for land transactions involving nominees and bare trustees (when the beneficial owner is treated as the buyer or seller) are reversed when a lease is granted to a nominee or bare trustee and the nominee or bare trustee is treated as the buyer of the lease. This may restrict the availability of reliefs and the application of certain rules because the legislation focuses on legal rather than beneficial ownership. Under BAU, this may create complexity and limit access to reliefs in cases that absent these specific rules related to the grant of a lease would have qualified for relief etc.

Proposal

8.63. This change would amend the LTTA 2017 to address the treatment of nominees and bare trustees in relation to sale and leaseback arrangements and surrenders and regrants of leases with the amendment ensuring that the beneficial owner is treated as the lessor or lessee for the relevant purposes, rather than the nominee or bare trustee.

Costs

8.64. These changes are expected to result in a one-off implementation cost of less than £1,000 (rounded to £0). These costs fall to the WRA and relate to updating guidance and examples. No ongoing costs have been identified.

Benefits

8.65. The benefits of the change are expected to arise for taxpayers through the availability of reliefs. However, it has not been possible to monetise this impact.

Fiscal and taxpayer impacts

8.66. The proposed reform is expected to increase the scope for legitimate relief claims compared with the BAU scenario, because some taxpayers may currently be unable to claim reliefs due to the operation of the nominee/bare trustee rules for the grant of a lease. This proposed change is expected to reduce tax

revenues by around £11,000 each year. This reflects cases where reliefs would no longer be denied because of the current operation of the nominee/bare trustee rules, resulting in a lower tax liability for some taxpayers.

Table 16: Summary of expected impacts – Change 10

Impact	Central estimate / treatment
Fiscal impact	Around -£11,000 a year (a reduction in tax revenue)
Staff-time savings	£0
Other non-fiscal benefits	NA
One-off cost	£0
Ongoing cost	£0

Proposal 11: LTТА application to the Crown

(Bill section 10: Application of the TCMA to the Crown for the purposes of land transaction tax)

8.67. Change 11 has been excluded from the quantified analysis because it is a technical correction intended to ensure the legislation operates clearly, rather than a change expected to alter behaviour, compliance activity, or tax liabilities in practice. As no quantifiable change in administrative burden, taxpayer behaviour, or fiscal revenue is expected, the impact is treated qualitatively rather than monetised in the analysis.

Proposal 12: Reflecting leasehold reform in LTТА

(Bill section 11: Exception for collective rights transactions from higher rate of land transaction tax)

8.68. Change 12 has been excluded from the quantified analysis. The available evidence indicates that relevant collective enfranchisement transactions are rare, fewer than 10 cases have been identified since 2017, and they occur sporadically. This creates too small and uncertain an evidence base to produce robust annual estimates of either costs or benefits. The expected impact is therefore best treated as qualitative, with the main rationale being fairness, consistency with leasehold reform, and prevention of unintended higher residential rate charges rather than a material monetised effect.

Annex 1: Undiscounted Non-Fiscal Costs and Benefits by Proposal and Affected Body, 2027 to 2036

	Body affected	Impact type	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	10-year total
Change 1	WRA	Annual benefit	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£4,000	£40,000
	WRA	One-off cost	£1,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£1,000
Change 2	Local authorities	Annual benefit	£243,000	£243,000	£243,000	£243,000	£243,000	£243,000	£243,000	£243,000	£243,000	£243,000	£2,430,000
	Local authorities	One-off cost	£33,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£33,000
	WRA	One-off cost	£22,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£22,000
	WRA	Ongoing cost	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£5,000	£50,000
Change 3	WRA	Annual benefit	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£8,000	£80,000
	Taxpayers	Annual benefit	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000	£250,000
	WRA	One-off cost	£17,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£17,000
	WRA	Ongoing cost	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£10,000
Change 4	WRA	Annual benefit	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£3,000	£30,000
	Taxpayers	Annual benefit	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£10,000
	WRA	One-off cost	£1,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£1,000

Change 5	WRA	One-off cost	£17,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£17,000
	WRA	Ongoing cost	£23,000	£23,000	£23,000	£23,000	£23,000	£23,000	£23,000	£23,000	£23,000	£23,000	£230,000
Change 6	WRA	Annual benefit	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000
	WRA	One-off cost	£22,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£22,000
	WRA	Ongoing cost	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£10,000
Change 7	WRA	One-off cost	£8,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£8,000
Change 8	WRA	Annual benefit	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£20,000
	Landfill operators	Annual benefit	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000	£200,000
	WRA	One-off cost	£1,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£1,000
Change 9	Taxpayers	Annual benefit	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£60,000
	WRA	One-off cost	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000
Change 10	WRA	One-off cost	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000	£0,000

9. Affordability Analysis

- 9.1. While the regulatory impact assessment assesses social value and includes any cultural, social and environmental impacts alongside economic costs and benefits, an affordability assessment is a purely financial assessment. As such, only cash costs and cash-releasing benefits are included. Any environmental, social, cultural and wider economic costs and benefits identified in the Bill regulatory impact assessment have been removed from this affordability assessment.
- 9.2. The affordability assessment considers the same time period as the regulatory impact assessment, 2026-27 to 2035-36. This adjustment has been made using the latest available GDP deflator series and forecasts, which provide a measure of economy-wide inflation and are commonly used to convert between real and nominal values. Costs and benefits have been converted from real to nominal prices using inflation forecasts, as nominal prices provide the most appropriate basis for assessing affordability and cash-flow impacts.
- 9.3. The affordability assessment is undertaken from a public sector financial perspective and therefore differs from the wider RIA value for money assessment, which considers net societal impacts. For the RIA, fiscal revenues are treated as transfers between taxpayers and the public sector and are excluded from the central economic assessment to avoid counting transfers as net social benefits. For the affordability assessment, however, the focus is on the cash-flow and funding implications for public sector bodies.
- 9.4. Fiscal revenues received or foregone by the Welsh Government are therefore included, because they affect the financial position of the public sector, while corresponding impacts on taxpayers are outside the scope of this affordability assessment. This approach allows the affordability section to show the expected financial implications for the Welsh Government, the WRA and other public bodies, without changing the central RIA conclusion that the purpose of the Bill is to improve the administration, fairness, consistency and effectiveness of Welsh tax legislation rather than to raise revenue.
- 9.5. The main implementation costs fall on the WRA and are associated with activities such as updating operational processes, revising guidance and templates, delivering staff training, establishing data-sharing arrangements, and

supporting new casework or assurance processes. Local authorities are expected to incur some one-off implementation costs in relation to the information-sharing provisions, including staff training, preparation of guidance and meetings to support implementation.

Table 16: WRA nominal affordability impact, cash releasing impacts only

Impact	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
One-off implementation costs	£92k	£0	£0	£0	£0	£0	£0	£0	£0	£0	£92k
Ongoing administrative costs	£31k	£32k	£32k	£33k	£34k	£34k	£35k	£36k	£37k	£37k	£341k
Total cash cost	£123k	£32k	£32k	£33k	£34k	£34k	£35k	£36k	£37k	£37k	£433k

9.6. The WRA is expected to face a total nominal cash cost of approximately £434,000 over the ten-year period. The analysis also identifies staff-time efficiencies of around £17,000 a year in 2026 prices, but these are non-cash-releasing unless they lead to an actual reduction in expenditure or staffing budgets.

9.7. No fiscal receipts are attributed to the WRA. Although the WRA administers the devolved taxes, the resulting receipts accrue to the Welsh Government and are shown in the next section.

Table 17: Welsh Government nominal fiscal impact

Impact	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Net devolved	£142k	£145k	£148k	£151k	£154k	£157k	£160k	£163k	£167k	£170k	£1,556k

tax receipts											
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- 9.8. No separate Welsh Government implementation or ongoing administrative costs are quantified. The practical affordability effect depends on whether the WRA can absorb its estimated costs within existing resources or requires additional Welsh Government funding. Any such funding should not be counted again as a separate public sector cost because it would finance the WRA costs already shown above.

Table 18: Local authority nominal affordability impact, including fiscal transfers

Impact	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Local authority fiscal revenue impact	£97,000	£99,000	£101,000	£103,000	£105,000	£107,000	£109,000	£112,000	£114,000	£116,000	£1,064,000
Local authority one-off costs	£33,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£33,000
Local authority ongoing costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Local authority net cash impact	£64,000	£99,000	£101,000	£103,000	£105,000	£107,000	£109,000	£112,000	£114,000	£116,000	£1,030,000

- 9.9. For local authorities, the affordability assessment shows a positive nominal net cash impact across the appraisal period. The benefits shown here are limited to additional fiscal revenues expected to accrue to local authorities as a result of improved access to information. Staff time efficiencies are excluded from the affordability assessment because they are not expected to result in direct cash savings. Local authority costs are limited to one-off implementation activity in 2027, with no ongoing local authority costs modelled. The total nominal net cash impact for local authorities is approximately £1,030,000 over the appraisal period.

10. The Competition Filter Test

10.1. A Competition Filter Assessment has been undertaken to assess the potential impact associated with the proposals in the Bill. This policy is not expected to have a detrimental effect on levels of competition in Wales or the competitiveness of Welsh firms. The results of a filter test (consisting of nine yes/no questions) which support this conclusion are below:

Question	Answer yes or no
Q1: In the market(s) affected by the new regulation, does any firm have more than 10% market share?	Yes
Q2: In the market(s) affected by the new regulation, does any firm have more than 20% market share?	Yes
Q3: In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share?	Yes
Q4: Would the costs of the regulation affect some firms substantially more than others?	No
Q5: Is the regulation likely to affect the market structure, changing the number or size of firms?	No
Q6: Would the regulation lead to higher set-up costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q7: Would the regulation lead to higher ongoing costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q8: Is the sector characterised by rapid technological change?	No
Q9: Would the regulation restrict the ability of suppliers to choose the price, quality, range or location of their products?	No

10.2. The existing landfill site operator market resembles a local oligopoly, with three companies dominating the sector in Wales and new entrants to the market are unlikely. This is primarily due to the structure of the market, where planning constraints limit new landfill sites (which reinforces incumbency), capital intensity due to high upfront costs and long-term aftercare obligations, the declining nature of the market (with Welsh and UK government policy actively seeking to reduce

landfill), as well as regulatory barriers including environmental permits and regulations.

- 10.3. Some of the proposals of the Bill are intended to change taxpayer behaviour. Nevertheless, the changes do not substantially increase costs to the sector. Moreover, with regards to the specific point of competition, there are no expectations that costs will disproportionately affect certain firm(s) over others, or make market entry for new landfill site operators harder, even though for the reasons outlined above, new entrants to the market are unlikely.
- 10.4. Overall, we conclude that the risk of a significant detrimental effect on competition is very low.

11. Impact Assessments

- 11.1. Specific impact assessments have been undertaken to consider the potential effects of the Bill. These assessments have informed the development of the policy proposals and the drafting of the legislation. A summary of the key findings is set out below. The full suite of impact assessments will be published separately.

Children's Rights

- 11.2. The Rights of Children and Young Persons (Wales) Measure 2011 places a duty on Welsh Ministers to have due regard to the United Nations Convention on the Rights of the Child (UNCRC) and its Optional Protocols when exercising their functions.
- 11.3. A Children's Rights Impact Assessment found that the Bill's mainly technical and administrative amendments do not directly affect children or young people. Potential indirect impacts concern household financial stability and housing affordability, environmental health and safety, public revenues available to support public services, and the operational capacity of organisations that provide services to children and young people.
- 11.4. The assessment identified potential benefits from measures supporting housing affordability and security, effective tax collection and stronger Landfill Disposals Tax compliance and enforcement. The principal potential risk concerns the privacy of children and families arising from information sharing provisions, in which a potential risk was identified related to information sharing and the handling of taxpayer information. Existing safeguards governing the disclosure and use of taxpayer information provide mitigation against these risks and will be kept under review.
- 11.5. Overall, the assessment concluded that the proposals are broadly compatible with the UNCRC and their identified indirect impacts are generally positive.

Equality

- 11.6. An Equality Impact Assessment has been undertaken to consider the potential effects of the Bill on people with protected characteristics as defined by the Equality Act 2010.
- 11.7. The assessment concluded that the proposals are largely technical and administrative in nature and are not designed affect individuals on the basis of

any protected characteristic. They primarily concern the governance, administration and operation of devolved taxes, including information-sharing powers, compliance processes, and clarifications to existing tax legislation. No evidence of direct discriminatory impacts was identified.

- 11.8. The proposals are expected to support the clarity, consistency and fairness of the Welsh tax system by improving taxpayer certainty, strengthening compliance and supporting the effective operation of the Welsh Revenue Authority. Enhanced information-sharing provisions are also intended to improve tax administration and support public service, subject to statutory safeguards and data protection requirements.
- 11.9. Some indirect impacts could arise for individuals who may face barriers in engaging with tax administration, including disabled people and older people, those experiencing digital exclusion, people with limited English or Welsh language proficiency, and those with caring responsibilities. Responding to information notices, engaging with enquiries, or exercising appeal rights may present additional challenges for some individuals if processes are not accessible and proportionate.
- 11.10. These risks can be mitigated through existing legislative and operational safeguards, including rights of review and appeal, reasonable excuse provisions, the proportionate exercise of powers, accessible communications, reasonable adjustments and flexible approaches to engagement. No significant adverse impacts were identified relating to other protected characteristics and impacts on children and young people are expected to be minimal as the taxes administered by the Welsh Revenue Authority primarily apply to adults and organisations.
- 11.11. The assessment concluded that, although, some proposals engage rights relating to privacy, property and access to justice, any interference is limited, justified and proportionate. Overall, the Bill is unlikely to result in direct discrimination or disproportionate adverse impacts. Any indirect impacts are expected to be limited and capable of mitigation through established safeguards and inclusive implementation.

Data Protection

- 11.12. A Data Protection Impact Assessment has been undertaken in relation to the Bill's provisions on information sharing, and the Information Commissioner's Office has been engaged. The proposals do not create new powers to collect

personal data but allow the Welsh Revenue Authority to disclose information it already holds for specified local taxation and visitor levy purposes.

11.13. The assessment found that the proposals are necessary and proportionate. The gateways are permissive, and information may be disclosed only where lawful, necessary and proportionate. Risks such as unauthorised disclosure, misuse, inaccurate data matching and security breaches will be mitigated through information-sharing agreements, secure transfers, access controls, staff training, audits, retention policies and data minimisation

11.14. The Bill also restricts onward disclosure and makes unauthorised disclosure a criminal offence. Subject to appropriate operational controls, the residual risks are considered low and the proposals are compatible with privacy rights, UK GDPR and the Data Protection Act 2018.

Welsh Language

11.15. A Welsh Language Impact Assessment has been undertaken in line with the Welsh Government's commitment under *Cymraeg 2050: A Million Welsh Speakers*. It concluded that the Bill will have a neutral impact on the Welsh language. The technical and administrative amendments to the Welsh Tax Acts are not expected to affect opportunities to learn Welsh, use Welsh in daily life, or access services through the medium of Welsh.

11.16. The assessment also concluded that the availability of services in Welsh will not be affected. The Welsh Government and the Welsh Revenue Authority will continue to operate in accordance with Welsh Language Standards and existing bilingual service arrangements. Legislative documents, guidance, communications and supporting materials arising from the Bill will continue to be made available in Welsh and English, ensuring that Welsh speakers can access information and services on an equal basis with English speakers.

11.17. The Welsh Government and the Welsh Revenue Authority will continue to provide taxpayer information, correspondence, consultation opportunities and customer services bilingually. Existing arrangements for Welsh-language communications and digital services will remain in place throughout implementation.

Socio-economic Duty

11.18. A Socio-economic Impact Assessment considered the Bill's effects on people who experience socio-economic disadvantage. It found that the Bill is primarily

technical and administrative, does not introduce new taxes or make significant changes to existing tax liabilities and is intended to improve the clarity, fairness, transparency and effectiveness of the Welsh Tax Acts.

- 11.19. Effective tax administration may indirectly benefit disadvantaged communities by protecting revenues used to fund public services. Potential adverse impacts, including those arising from compliance activity, interest and penalties, or information sharing, are expected to be limited and can be mitigated through clear guidance, transparent communication, appropriate safeguards, proportional use of powers, and existing rights of appeal and review.
- 11.20. Particular consideration was given to the potential impact on low-income taxpayers, individuals with lower financial capability, small businesses facing cash-flow pressures, and those experiencing multiple forms of disadvantage. Potential effects relate to financial resilience, confidence in engaging with the tax system, understanding tax obligations, and access to information and support.
- 11.21. The assessment also identified a range of potential positive impacts. These include greater certainty and clarity within tax legislation, improved consistency in tax administration, reduced ambiguity for taxpayers and advisers, strengthened protection of public revenues, improved information sharing to support public sector functions, and more effective delivery of public services funded through devolved taxation.
- 11.22. Overall, the assessment concluded that the Bill is expected to have a neutral to modest positive impact on socio-economic inequality. No direct discriminatory impacts were identified, and any potential adverse impacts are considered limited and capable of mitigation through the implementation of existing safeguards, taxpayer support arrangements, and ongoing monitoring and evaluation.

Justice Impact Assessment

- 11.23. A screening exercise was undertaken to identify whether a full Justice Impact Assessment was required. The screening concluded that the Bill is unlikely to have significant impacts on the justice system as the provisions primarily amend existing powers rather than create new ones. The new criminal offence related to the unauthorised onward disclosure of protected information is also expected to have a minimal impact, recognising its primarily deterrent value.

12. Post implementation review

- 12.1. As the Bill makes a series of mainly technical and administrative changes to existing legislation, the intention is for the effectiveness of its implementation to be monitored through existing arrangements.
- 12.2. The provisions address issues identified through WRA's experience of administering the Welsh Tax Acts, together with matters raised by taxpayers, professional advisers and other stakeholders. Monitoring will focus on whether the changes operate as intended and whether any further guidance, administrative action or legislative change is required.
- 12.3. Relevant evidence will include WRA's operational information, casework, reviews and appeals, complaints and feedback from taxpayers, advisers, principal councils and other affected bodies. The Welsh Government and the WRA will also consider relevant legal or policy developments elsewhere in the United Kingdom. This approach will allow issues to be considered as they arise. It is also appropriate because some of the provisions are likely to be used only occasionally or in circumstances, meaning that a formal review at a fixed point may not provide a useful assessment of their operation.
- 12.4. The WRA will make the changes needed to implement the Bill. These are expected to include updates to guidance, staff training and, where necessary, changes to operational processes and systems. The costs are expected to be met from existing budgets. The WRA will monitor the use of the new and amended powers through its existing governance and assurance arrangements. This will include the provisions relating to the withholding of repayments, taxpayer notices and the inspection of business premises.
- 12.5. In relation to information sharing, no protected information will be disclosed to principal councils until the necessary information-sharing agreements, governance arrangements, data controls and operational processes are in place. The operation of those arrangements will be considered through the usual data protection and information governance processes.
- 12.6. The WRA will also consider the practical operation of the Land Transaction Tax and Landfill Disposals Tax provisions through its casework and engagement with affected taxpayers and advisers. This will help identify whether the provisions have improved clarity and reduced disputes, and whether guidance or

operational practice needs to be adjusted. If an issue can be addressed through revised guidance, training or administrative procedures, the WRA will take that action as appropriate. If legislative change appears necessary, the issue will be considered as part of the wider programme for maintaining and developing the Welsh Tax Acts.

- 12.7. The Bill forms part of the continuing maintenance of Wales's devolved tax system. It should be distinguished from decisions about tax rates and bands, new taxes, reform of local taxation and measures associated with the Welsh Government's Budget. The appropriate means of making a change to the Welsh Tax Acts will depend on the nature of the change and the powers available. Some changes require primary legislation. Others can be made through subordinate legislation under powers already conferred by the Senedd.
- 12.8. Work is also continuing on the wider arrangements for making changes to the Welsh Tax Acts. This follows the Green Paper consultation undertaken in Autumn 2025 and earlier engagement with the Senedd Finance Committee on possible mechanisms for maintaining Welsh tax legislation. That work is separate from the Bill and the Bill does not anticipate its outcome. Experience of implementing the Bill may, however, provide useful evidence about the frequency of tax maintenance changes, the benefits of grouping technical amendments and the balance between primary and subordinate legislation.

ANNEX 1: EXPLANATORY NOTES

TAXATION (WALES) BILL 2026

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes are for the Taxation (Wales) Bill which was introduced into Senedd Cymru on 19th October 2026.
2. They have been prepared by the Welsh Revenue Authority and the Welsh Government to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by Senedd Cymru.
3. The Explanatory Notes should be read in conjunction with the Bill but are not part of it. They are not intended to be a comprehensive description of the Bill.

OVERVIEW OF THE BILL

4. This Bill makes a series of amendments to the Welsh Tax Acts. These are the Tax Collection and Management (Wales) Act 2016, referred to in these Notes as “the TCMA”, the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, referred to as “the LTTA”, and the Landfill Disposals Tax (Wales) Act 2017, referred to as “the LDTA”.
5. The amendments are principally technical and operational in nature. They concern Welsh Revenue Authority (“WRA”) decision-making and delegation, disclosure of taxpayer information, the collection and management of devolved Welsh taxes by the WRA, the treatment of particular land transaction tax cases, and specified landfill site activities for landfill disposals tax.
6. The Bill comprises 17 sections organised into four groups (identified by italicised cross-headings) covering:
 - tax collection and management,
 - land transaction tax,
 - landfill disposals tax, and
 - general provisions.

COMMENTARY ON SECTIONS

TAX COLLECTION AND MANAGEMENT

Section 1 – Participation in Welsh Revenue Authority committees by persons who are not members of the authority

7. Section 1 of the bill amends the TCMA provisions dealing with the participation of persons who are not members of the WRA in the decisions of WRA committees and sub-committees.
8. Section 8 of the TCMA enables the WRA to establish committees and sub-committees for purposes relating to its functions. Section 1 of the Bill amends section 8 of the TCMA to make provision about the entitlement of persons who are members of WRA committees or sub-committees but not members of the WRA to vote in the proceedings of those committees (see the new subsection (3A) and (6A) inserted into section 8 of the TCMA by subsections (2)(d) and (e)). The rule established by the amendments is that persons who are not members of the WRA are not entitled to vote in the proceedings unless they are members of staff of the WRA and authorised to do so by the WRA, in the case of a committee of the WRA, or by a committee of the WRA in the case of sub-committees. This replaces the current rule in section 8(3) and (6) of the TCMA, which is that persons who are not members of the WRA are not entitled to vote at meetings of a committee of the WRA or a sub-committee of such a committee under any circumstances.
9. Section 1 also provides for a clear distinction in the TCMA between a “committee of WRA” established by the WRA and a committee of WRA staff established by WRA staff; a “committee of WRA” being a committee containing one or more members of the WRA (see subsection (7)). The purpose of this is to make clear that the provisions of the TCMA that apply to a “committee of WRA” do not apply to WRA staff committees, unless the provision in question is explicitly applied to WRA staff committees (as in the case of the amendments to sections 17(2) (confidentiality of protected information) and 22 (evidence) of the TCMA made by subsections (5) and (6)). The provisions in paragraphs (a), (b), (e), (f) and (h) of subsection (2) and subsections (3), (4) and (8) are consequential amendments arising from the new definition of “committee of WRA” inserted into section 192(2) of the TCMA by subsection (7).
10. Paragraph (i) of subsection (2) inserts new subsections (8), (9) and (10) into section 8 of the TCMA -
 - to make clear that the other provisions in section 8 do not affect the powers of members of staff to establish committees and sub-committees for purposes relating to WRA functions that staff are authorised to carry out or to take other action in connection with them (subsection (8)); and
 - to establish a rule about decision making in WRA staff committees by persons who are not WRA staff, which is that only such persons who are members of the WRA or persons to whom WRA functions have been delegated are entitled to vote at a meeting of a WRA staff committee; and then only if the chief executive of the WRA authorises it (subsections (9) and (10)).
11. The new subsection (11) inserted into section 8 of the TCMA by paragraph (i) of subsection (2) provides that authorisation of entitlement vote (whether for committee of the WRA, a

sub-committee of or a committee of the WRA in the case may relate to all matters considered by the committee or sub-committee, or only to specified matters.

Section 2 – Delegation of Welsh Revenue Authority functions

12. This section amends the provisions of the TCMA that authorise the delegation of WRA functions. Section 13 of the TCMA allows internal authorisation of members of WRA, committees and sub-committees of the WRA or staff of WRA to carry out WRA functions; and section 14 of the TCMA allows delegation of WRA functions to persons prescribed in regulations made by the Welsh Ministers. The only person currently prescribed is the Natural Resources Body for Wales.
13. Subsection (2)(a) amends section 13(1) of the TCMA to provide that internal authorisations may specify how a function is to be carried out as well as the extent of the authorisation. This is relevant where the WRA wishes to authorise a person not merely to exercise a function, but to exercise it subject to particular procedural or operational limits.
14. Subsection (2)(b) omits subsection (2) of section 13, removing the prohibition on the WRA authorising a committee or sub-committee to carry out any of its functions (to any extent) unless at least one of the members of the committee or sub-committee is a non-executive member of the WRA.
15. Subsection (3) amends section 14 of the TCMA to clarify that if a person prescribed in regulations under section 14(1) (i.e. a person to whom WRA functions may be delegated) has an existing power to delegate the person's functions, then WRA functions delegated to it by the WRA may be further delegated within the limits of that person's power to delegate. For example, in the case of the Natural Resources Body for Wales, paragraph 18 of the Schedule to The Natural Resources Body for Wales (Establishment) Order 2012 ("the Order") gives a power to the Body to delegate the exercise of its functions to a committee, sub-committee, member or employee of the Body. The new subsection (8) inserted into section 14 of the TCMA by section 2(3) of the Bill makes clear that the power to delegate functions in paragraph 18 of the Schedule to the Order includes a power to delegate functions of the WRA delegated to the Natural Resources Body for Wales by the WRA under section 14(1) of the TCMA.
16. The new subsection (9) of section 14 of the TCMA inserted by section 2(3) gives the Welsh Ministers the power to make regulations prohibiting or limiting further delegation of the WRA functions by persons to whom WRA functions are delegated by the WRA. Regulations made in the exercise of that power would be subject to the Senedd annulment procedure by virtue of section 189(3) of the TCMA and paragraph 5 of Schedule 1A to the Legislation (Wales) Act 2019 ("the 2019 Act"). See section 37E of the 2019 Act for provision about the Senedd annulment procedure.
17. The modification of delegation functions in the new subsection (8) of section 14 of the TCMA and the power to modify delegation functions by regulations in the new subsection (9) only apply in relation to the functions of persons who are not "reserved authorities". "Reserved authority" has the same meaning as in paragraph 8(3) of Schedule 7B of the

Government of Wales Act 2006 (see subsection (10) inserted into section 14 of the TCMA) and is defined as –

- a Minister of the Crown or a UK government department, or
- any other public authority apart from a devolved Welsh authority.

18. “Devolved Welsh Authority” is defined for this purpose by section 157A of the Government of Wales Act 2006 and includes (among other persons) any public authority with functions that are exercisable only in relation to Wales and wholly or mainly functions that do not relate to reserved matters.
19. Section 2(4) amends the interpretation provision of the TCMA (section 192) to ensure that all references in the TCMA to a person to whom the WRA has delegated any of its functions includes persons to whom those functions have been further lawfully delegated.

Section 3 - Disclosure of protected information

20. Section 3 amends the confidentiality and disclosure regime in sections 17 to 20 of the TCMA. Section 17 defines protected information and prohibits its disclosure unless permitted, section 18 permits disclosure in specified circumstances, and section 20 makes wrongful disclosure an offence. The section adds permitted disclosure routes for information disclosed in connection with principal council functions relating to collection and management of council tax and non-domestic rates and for the purposes of WRA’s functions relating to the assessment and collection of the visitor levy.
21. Subsection (2)(a) amends the existing permitted disclosure gateway in section 18(1)(za) of TCMA to provide a signpost to new subsection (1A).
22. Subsection (2)(b) inserts new section 18(1)(l), permitting disclosure to a qualifying person in connection with a function of a principal council relating to the collection and management of council tax and non-domestic rates. Subsection (3) inserts new section 18(1A) which permits disclosure to a principal council for the purposes of WRA’s functions relating to the assessment and collection of the visitor levy and new section 18(1B), defining qualifying persons to include principal councils, authorised persons exercising relevant functions and relevant service providers. Subsection (5) inserts new section 20A, restricting onward disclosure of protected information disclosed to a principal council under section 18(1)(za) or 18(1A), or a qualifying person under section 18(1)(l) unless specifically permitted. Onward disclosure will be permitted where it is permitted by paragraphs (a), (c), (e), (f), (g), (h) and (l) of section 18(1), or the WRA has provided written consent (which may be general or specific).
23. An offence is created in new section 20A(3) for unauthorised further disclosure. It will be a defence if it is proven that the person reasonably believed disclosure was permitted by section 20A, or reasonably believed that the information was already lawfully public. New section 20A(5) sets out the relevant sentences for the offence. The new restriction is important because the section expands the circumstances in which protected information may leave the WRA, and therefore builds in a further control on how that information may be used once received by a council or another qualifying person.

24. The new TCMA subsection (7) of section 20A inserted by section 3(4) gives the Welsh Ministers the power to make regulations to amend paragraph (a) of subsection (2). This allows Welsh Ministers to amend the list of permitted disclosures that will not attract the criminal offence for further disclosure of protected information within the newly inserted TCMA section 20A.

Section 4 - Power to withhold repayments of tax during Welsh Revenue Authority enquiry

25. Section 4 inserts new section 44A into the TCMA and makes a related amendment to section 172.
26. New section 44A applies where an amendment to a tax return would require the WRA to make a repayment, the WRA has reason to believe there is a risk that the amendment may not reflect the correct tax position of the taxpayer, and the WRA opens an enquiry into the return. In those circumstances, the WRA may withhold the repayment until a closure notice is issued and must notify the person who made the return of its decision.
27. Subsection (3) amends section 172(2) of the TCMA so that a decision to withhold a repayment under section 44A is an appealable decision.
28. Subsection (4) provides that the new power does not apply to amendments notified before the section comes into force.

Section 5 - Claim for relief for overpaid tax: repayment of late payment interest

29. Section 5 amends section 73 of the TCMA, which makes provision about giving effect to claims and amendments relating to overpaid tax.
30. Subsection (2) amends section 73(1)(b) so that, where the WRA gives effect to a claim or amendment by discharging or repaying an amount of WRA-collected tax, it must also discharge or repay certain related late-payment interest.
31. Subsection (3) inserts new section 73(1A), which defines when late-payment interest is related to an amount of tax for those purposes.

Section 6 - Giving reasons for not giving effect to claims for relief in case of excessive assessment or overpaid tax

32. Section 6 amends section 73 of the TCMA, which makes provision about giving effect to claims and amendments relating to excessive assessments and overpaid tax.
33. Subsection (2) inserts new section 73(1B), which provides that where the WRA decides not to give effect to a claim or amendment (whether in whole or in part), the notice under section 73(1) must give reasons for that decision and information about rights of review and appeal. It also inserts new section 73(1C), which provides that section 73(1)(a) does not apply where the WRA enquires into a claim or amendment, as sections 74 and 75 make provision about notices in those circumstances.
34. Subsection (3) makes consequential amendments to section 73(2).

Section 7 - Taxpayer notices following a tax return

35. Section 7 amends section 100 of the TCMA, which enables the WRA to issue taxpayer notices requiring information or documents after a tax return has been made.
36. The section introduces two additional circumstances in which a taxpayer notice may be issued in relation to land transaction tax: where the notice is given for the purpose of checking whether relief is withdrawn and where the notice is given for the purpose of checking whether a refund under paragraph 23A(5) of Schedule 5 to the LTTA has become repayable.
37. Subsection (2) amends section 100(3) to refer to new conditions 3 and 4. Subsection (3) inserts new sections 100(5A) to (5H). New section 100(5A) introduces condition 3 and new sections 100(5B) and (5C) make provision about the time limits that apply where that condition is met. New section 100(5D) introduces condition 4 and new sections 100(5E) to (5H) make provision about the time limits and definitions that apply where that condition is met.
38. Subsection (4) provides that the amendments apply regardless of when the relevant land transaction return was delivered.

Section 8 - Inspecting premises

39. Section 8 amends the TCMA inspection powers. Section 103 provides WRA's power to inspect business premises, sections 103A and 103B contain related inspection powers in landfill disposals tax contexts, section 105 deals with how inspections are carried out, and section 108 concerns tribunal approval. The section restructures the notice requirements and permits unannounced inspections where the WRA has grounds for believing that notice would seriously prejudice assessment or collection of tax.
40. Subsection (2)(a) omits section 103(2), and subsection (2)(b) and (c) insert new section 103(3A) and amend section 103(4). New section 103(3A) requires either at least seven days' notice to the occupier or grounds for believing that giving notice would seriously prejudice the assessment or collection of WRA-collected tax. Subsection (3) amends section 103B(3) (further power to inspect premises: taxable disposals made at places other than authorised landfill sites) to clarify that the WRA may inspect premises in Wales where the WRA has reason to believe that the disposal was made at them, and premises in Wales or England where the WRA has reason to believe that the occupier of the premises meets, or may meet, the charging condition in respect of the disposal. Subsections (4) makes related cross-reference amendments to section 105. Subsection (5) defines 'premises' for the purposes of section 106 (power to inspect premises or property for valuation etc.) as 'in Wales'. Subsection (6) amends section 111 to clarify that for the purposes of the TCMA Chapter 4 'business premises' is a business premises in Wales or England.
41. The overall effect is to move from a simple prior-notice model to a more flexible model in which notice remains the ordinary rule, but can be displaced where advance warning would undermine the tax check, without need for Tribunal approval.

Section 9 - Late payment interest on taxes collected by the Welsh Revenue Authority

42. Section 9 inserts new section 157(5) into the TCMA. New subsection (5) clarifies that, where section 157(1)(b) applies, late-payment interest is charged on the amount of tax payable following the amendment, correction or assessment rather than the amount originally stated in the tax return. .

Section 10 - Application of the TCMA to the Crown for the purposes of land transaction tax

43. Section 10 amends section 187A of the TCMA, which applies specified TCMA provisions to the Crown for land transaction tax purposes. Subsection (2) amends section 187A(1)(e) by replacing the existing references to Part 8 provisions with references to section 172(2)(d) and section 182. Subsection (3) amends section 187A(2) to clarify that certain other review and appeal provisions do not apply to His Majesty in Her private capacity. Together, these amendments correct the application of certain review and appeal provisions relating to information notices for the purposes of section 187A.

LAND TRANSACTION TAX

Section 11 - Exception for collective rights transactions from higher rate of land transaction tax

44. Section 11 amends Schedule 5 to the LTTA, which contains the higher rates residential property transaction rules. It interacts with Schedule 14, which includes relief for collective rights. The section ensures that transactions qualifying for that relief are not treated as higher rates residential property transactions.
45. Subsection (2) amends paragraph 3(5) of Schedule 5 by adding new paragraph 9B to the list of exceptions. Subsection (3) inserts new paragraph 9B, which provides that a transaction is not a higher rates transaction under paragraph 3 if relief applies under paragraph 10 of Schedule 14. Subsections (4) and (5) (6) make equivalent amendments to paragraphs 11, 20 and 21 of Schedule 5. Subsection (6) also omits paragraph 21(5A). The amendments therefore apply the collective rights exception across the relevant higher rates tests in Schedule 5.

Section 12 - Higher rate of land transaction tax: persons who do not count as buyers

46. Section 12 amends Schedule 5 to the LTTA. The higher rates rules depend on who counts as a buyer and on the buyer's other property interests. The section deals with transactions involving two or more buyers where at least one, but not all, of the buyers is also the seller. In specified circumstances, the existing owner is not treated as a buyer for the purpose of certain provisions of Schedule 5.
47. Subsection (2) inserts new paragraph 6A. Where there are two or more individual buyers and at least one, but not all, of them is also the seller, the existing owner is not treated as a buyer for specified purposes. Subsection (3) inserts new paragraph 15A, which makes equivalent provision in relation to the higher rates rules for multiple dwelling transactions.

Subsection (4) inserts new paragraph 22A, which makes provision for certain transactions involving a non-individual existing owner.

Section 13 - Transactions involving trustees of a bare trust

48. Section 13 amends LTTA provisions on leases sale and leaseback relief. The LTTA contains special rules for leases in Schedule 6, partnerships in Schedule 7, trusts and in relation to the grant of a lease in Schedule 8 and sale and leaseback relief in Schedule 9. Schedule 8 generally treats trustees as buyers or sellers, but this section modifies that treatment for specified bare trust cases.
49. Subsection (2)(a) amends Schedule 6 paragraph 7 by treating the beneficiary of the bare trust, rather than the bare trustee, as landlord where a further lease is granted by a bare trustee acting for the beneficiary of the surrendered interest. Subsection (2)(b) amends Schedule 6 paragraph 17 so that parties are not treated as different merely because a bare trustee is involved so long as the parties with the beneficial rights and interests are the same (save for any difference which arises from the involvement of the bare trustee for one of the parties).
50. Subsection (3) inserts new Schedule 9 paragraph 4, treating the beneficiary as B for sale and leaseback relief where the leaseback is granted by a bare trustee acting for that beneficiary. Together, the amendments make clear that the bare trustee's legal involvement should not, in the specified cases, obscure the identity of the person with the beneficial interest.

LANDFILL DISPOSALS TAX

Section 14 - Specified landfill site activities

51. Section 14 amends section 8 of the Landfill Disposals Tax (Wales) Act 2017. Section 8 treats specified landfill site activities as taxable disposals of the material concerned, and section 8(3) lists those activities. Subsection (2)(a) inserts a new section 8(3)(fa) which provides that all material used in a landfill cell is a specified landfill site activity except:
- material that forms a layer immediately above the base of the cell and performs the function of drainage; and
 - a pipe, pump or associated infrastructure inserted into the cell for the purposes of the extraction or control of surplus liquid or gas from or within that cell.
- The exceptions are framed by reference to the function of the material or infrastructure, rather than merely its physical placement in the landfill cell.

52. Section 14(2)(b) inserts into section 8(4) a definition of an 'impermeable layer' and 'landfill cell'.

GENERAL

Section 15 – Interpretation

53. Section 15 defines “LTTA” and “TCMA” for the Bill, providing that “LTTA” means the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 and “TCMA” means the Tax Collection and Management (Wales) Act 2016.

Section 16 - Coming into force

54. Section 16 provides for commencement and states that this Act comes into force at the end of the period of 2 months beginning with the day on which it receives Royal Assent.

Section 17 - Short title

55. Section 17 provides the short title. The Act may be cited in English as the Taxation (Wales) Act 2027 and in Welsh as Deddf Trethiant (Cymru) 2027

ANNEX 2: INDEX OF STANDING ORDER REQUIREMENTS

Table 1

Standing order		Section	Pages/ paragraphs
26.6(i)	Statement the provisions of the Bill would be within the legislative competence of the Senedd	Member's declaration	Page 6
26.6(ii)	Set out the policy objectives of the Bill	Chapter 3 - Purpose and intended effect of the legislation	Pages 7 to 25
26.6(iii)	Set out whether alternative ways of achieving the policy objectives were considered and, if so, why the approach taken in the Bill was adopted	Chapter 6 - Regulatory Impact Assessment	Pages 47 to 67
26.6(iv)	Set out the consultation, if any, which was undertaken on: (a) the policy objectives of the Bill and the ways of meeting them; (b) the detail of the Bill, and (c) a draft Bill, either in full or in part (and if in part, which parts)	Chapter 4 - Consultation	Pages 26 to 33
26.6(v)	Set out a summary of the outcome of that consultation, including how and why any draft Bill has been amended	Chapter 4 - Consultation	Pages 26 to 33

Standing order		Section	Pages/ paragraphs
26.6(vi)	If the bill, or part of the Bill, was not previously published as a draft, state the reasons for that decision	Chapter 4 – Consultation	Pages 26 to 33
26.6(vii)	Summarise objectively what each of the provisions of the Bill is intended to do (to the extent that it requires explanation or comment) and give other information necessary to explain the effect of the Bill	Annex 1 – Explanatory Notes	Pages 75 to 83
26.6(viii)	Set out the best estimates of: (a) the gross administrative, compliance and other costs to which the provisions of the Bill would give rise; (b) the administrative savings arising from the Bill; (c) net administrative costs of the Bill's provisions; (d) the timescales over which such costs and savings would be expected to arise; and (e) on whom the costs would fall	Chapter 6 – Regulatory Impact Assessment	Pages 47 to 67
26.6(ix)	Any environmental and social benefits and dis-benefits arising from the Bill that cannot be quantified financially	Chapter 6 – Regulatory Impact Assessment	Pages 47 to 67

Standing order		Section	Pages/ paragraphs
26.6(x)	Where the Bill contains any provision conferring power to make subordinate legislation, set out, in relation to each such provision: (a) the person upon whom, or the body upon which, the power is conferred and the form in which the power is to be exercised; (b) why it is considered appropriate to delegate the power; and (c) the Senedd procedure (if any) to which the subordinate legislation made or to be made in the exercise of the power is to be subject, and why it was considered appropriate to make it subject to that procedure (and not to make it subject to any other procedure);	Chapter 5 - Power to make subordinate legislation	Pages 33 and 34
26.6(xi)	Where the Bill contains any provision charging expenditure on the Welsh Consolidated Fund, incorporate a report of the Auditor General setting out his or her views on whether the charge is appropriate	Chapter 6 – Regulatory Impact Assessment summary	Pages 47 to 67
26.6(xii)	Set out the potential impact (if any) on the justice system in England and Wales of the provisions of the Bill (a “justice impact assessment”), in accordance with section 110A of the Act.	Chapter 6 – Regulatory Impact Assessment	Pages 47 to 67

Standing order		Section	Pages/ paragraphs
26.6B	Where provisions of the Bill are derived from existing primary legislation, whether for the purposes of amendment or consolidation, the Explanatory Memorandum must be accompanied by a table of derivations that explain clearly how the Bill relates to the existing legal framework.	Annex 4 – Table of Derivations	Pages 145 to 149
26.6C	Where the Bill proposes to significantly amend existing primary legislation, the Explanatory Memorandum must be accompanied by a schedule setting out the wording of existing legislation amended by the Bill, and setting out clearly how that wording is amended by the Bill.	Annex 3 – Schedule of Amendments	Pages 88 to 144

ANNEX 3: SCHEDULE OF AMENDMENTS

Schedule of amendments

AMENDMENTS TO BE MADE BY THE TAXATION (WALES) BILL

This document is intended to show how the provisions of the following legislation, as they applied in relation to Wales on 18 September 2026 would look as amended by the Taxation (Wales) Bill if enacted as introduced on 19 October 2026.

Primary Legislation

- **Tax Collection and Management (Wales) Act 2016**
- **Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017**
- **Landfill Disposals Tax (Wales) Act 2017**

Material to be deleted by the Taxation (Wales) Bill is in strikethrough, e.g. ~~omitted material looks like this.~~

Material to be added by the Taxation (Wales) Bill is underlined, e.g. added material looks like this.

References to the relevant amending provisions of the Bill are provided in the right hand column on each page.

Where relevant, related provisions from the Act, although not being amended, are included to aid understanding of the proposed amendments

Warning

This text has been prepared by officials of the Welsh Revenue Authority and of the Welsh Government. Although efforts have been taken to ensure that it is accurate, it should not be relied on as a definitive text of the Act or the Bill.

It has been produced solely to help people understand the effect of the Taxation (Wales) Bill. It is not intended for use in any other context.

Tax Collection and Management (Wales) Act 2016	Amended by
Part 2 The Welsh Revenue Authority <i>Establishment and status of the Welsh Revenue Authority</i> <i>Committees and staff</i> 8 Committees and sub-committees (1) WRA may establish committees <u>of WRA</u> for any purpose relating to its functions. (2) WRA may determine the composition of ~~its committees~~ <u>committees of WRA</u>. (3) WRA may appoint persons who are not members of WRA to be members of a committee, ~~but those persons are not entitled to vote at meetings of the committee.~~ <u>(3A) A member of a committee of WRA who is not a member of WRA is not entitled to vote at a meeting of the committee, unless the member of the committee is—</u> <u>(a) a member of staff of WRA, and</u> <u>(b) authorised by WRA to vote at meetings of the committee.</u> (4) A committee of WRA may establish sub-committees. (5) A committee <u>of WRA</u> which establishes a sub-committee may determine its composition. (6) A committee <u>of WRA</u> may appoint persons who are not members of WRA to be members of a sub-committee, ~~but those persons are not entitled to vote at meetings of the sub-committee.~~ <u>(6A) A member of a sub-committee of a committee of WRA who is not a member of WRA is not entitled to vote at a meeting of the sub-committee, unless the member of the sub-committee is—</u> <u>(a) a member of staff of WRA, and</u>	Section 1(2)

<u>(b) authorised by the committee of WRA to vote at meetings of the sub-committee.</u> (7) WRA may pay to any members of a committee established by it, or of a sub-committee established by such a committee, who are not members of WRA <u>or members of staff of WRA—</u> (a) such remuneration as WRA may, with the approval of the Welsh Ministers, determine, and (b) such sums as WRA may, with the approval of the Welsh Ministers, determine by way of reimbursement of expenses incurred by them in carrying out their functions. <u>(8) Nothing in subsections (1) to (7) affects any power of members of staff of WRA to—</u> <u>(a) establish committees containing WRA staff, or sub-committees of such committees, for any purpose relating to functions of WRA that WRA staff are authorised to carry out,</u> <u>(b) determine the composition of such committees and sub-committees, or</u> <u>(c) appoint persons to such committees and sub-committees who are not WRA staff.</u> <u>(9) Subsection (10) applies to a member of a committee established by members of staff of WRA for any purpose relating to functions of WRA that WRA staff are authorised to carry out or a member of a sub-committee of such a committee.</u> <u>(10) If the member of the committee or sub-committee is not a member of staff of WRA, the member is not entitled to vote at a meeting of the committee or sub-committee unless—</u> <u>(a) the member is—</u> <u>(i) a member of WRA, or</u> <u>(ii) a person to whom WRA functions have been delegated, and</u> <u>(b) the member is authorised by the chief executive of WRA to vote at meetings of the committee or a sub-committee of the committee.</u> <u>(11) Authorisation under subsection (3A)(b), (6A)(b) or (10)(b) may relate to all matters considered by the committee or sub-committee or matters specified in the authorisation only.</u>	
<i>Procedure and validity</i> 10 Procedure	Section 1(3)

(1) WRA must make rules to regulate its own procedure (including quorum) and that of any committee ~~or sub-committee~~ <u>of WRA or of a sub-committee of such a committee</u>. (2) The rules must provide that a meeting of WRA is not quorate unless a majority of the members present are non-executive members of WRA.	
11 Validity of proceedings and acts The validity of any proceedings or acts of WRA (or of any committee ~~or sub-committee~~ <u>of WRA or of a sub-committee of such a committee</u>) is not affected by— (a) any vacancy in its membership, (b) any defect in the appointment of a member, or (c) any non-executive member becoming disqualified from appointment by virtue of section 4.	Section 1(4)
<i>Information</i> 17 Confidentiality of protected information (1) An individual who is or has been a relevant official must not disclose protected information unless the disclosure is permitted by section 18. (2) In this section and section 19, “relevant official” means an individual who is— (a) a member of WRA, of a committee of WRA or of a sub-committee of such a committee, (b) a person to whom WRA has delegated any of its functions, a member of a body to whom WRA has delegated any of its functions, of a committee of such a body or of a sub-committee of such a committee, or an office-holder of such a body, (c) a member of staff of WRA, <u>(ca) a member of a committee established by members of staff of WRA for any purpose relating to functions of WRA that WRA staff are authorised to carry out or a member of a sub-committee of such a committee,</u> (d) a member of staff of a person to whom WRA has delegated any of its functions employed in connection with any of those functions, (e) a person providing services to WRA, or (f) a person providing services to a person to whom WRA has delegated any of its functions in connection with any of those functions. (3) In subsection (1) and section 18, “protected information” means information relating to a person (the “affected person”)—	Section 1(5)

(a) which was acquired by WRA or which was acquired by a person to whom any of the functions of WRA have been delegated in connection with those functions, and (b) by which the affected person may be identified (whether by reason of the affected person's identity being specified in the information or being capable of being deduced from it). (4) But information is not “protected information” if it is information about internal administrative arrangements of WRA or of a person to whom WRA has delegated any of its functions (whether the information relates to members of staff of WRA or of such a person or to other persons).	
<i>Court proceedings and evidence</i> 22 Evidence (1) A document that purports to have been issued or signed by or with the authority of WRA— (a) is to be treated as having been so issued or signed unless the contrary is proved, and (b) is admissible in any legal proceedings. (2) A document that purports to have been issued by WRA and which certifies any of the matters specified in subsection (3) is sufficient evidence of that fact unless the contrary is proved. (3) The matters are— (a) that a specified person was appointed as a member of WRA on a specified date; (b) that a specified person was appointed as a member of WRA's staff on a specified date; (c) that at a specified time or for a specified purpose (or both) a specified member of WRA was authorised to exercise a function of WRA; (d) that at a specified time or for a specified purpose (or both) a specified committee of WRA or a specified sub-committee of such a committee was authorised to exercise a function of WRA; (e) that at a specified time or for a specified purpose (or both)— (i) a specified member of WRA's staff, or (ii) a member of WRA's staff of a specified description, was authorised to exercise a function of WRA; <u>(ea) that at a specified time or for a specified purpose (or both) a specified committee established by WRA staff or a specified sub-committee of such a committee was authorised to exercise a function of WRA;</u>	Section 1(6)

(f)that at a specified time or for a specified purpose (or both) a function of WRA was delegated to another specified person. (4)A document that purports to have been issued by or with the authority of WRA and which certifies— (a) that a tax return required to be made to WRA has not been made, or (b) that a notice required to be given to WRA has not been given, is sufficient evidence of that fact unless the contrary is proved. (5)A copy of a document issued or acquired by WRA (or on its behalf) that is certified by WRA (or on its behalf) to be an accurate copy is admissible in any legal proceedings to the same extent as the document itself and is sufficient evidence of that document unless the contrary is proved. (6)See section 168 (certificates of debt) for provision about the certification of debt. <u>(7) In subsection (3)(d), the reference to “committee of WRA” includes a committee established by WRA staff for any purpose relating to functions of WRA that WRA staff are authorised to carry out.</u>	
PART 10 FINAL PROVISIONS 192 Interpretation (1) For the purposes of this Act, an appeal or referral is finally determined when— (a) it has been determined, and (b) there is no further possibility of the determination being varied or set aside (disregarding any power to grant permission to appeal out of time). (2)In this Act— “buyer” (“<i>prynwr</i>”) has the same meaning as in LTТА;] <u>“committee of WRA” (“<i>pwyllogor o ACC</i>”) means a committee containing one or more members of WRA established under section 8(1);</u> “contract settlement” (“<i>setliad contract</i>”) means an agreement made in connection with any person's liability to make a payment to WRA under any enactment;	Section 1(7)

“devolved tax” (“<i>treth ddatganoledig</i>”) has the meaning given by section 116A(4) of the Government of Wales Act 2006 (c. 32); “enactment” (“<i>deddfiad</i>”) means an enactment (whenever enacted or made) which is, or is contained in— (a) an Act of Parliament, (b) an Act or a Measure of the National Assembly for Wales, or (c) subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)) made under— (i) an Act of Parliament, or (ii) an Act or a Measure of the National Assembly for Wales; “financial year” (“<i>blwyddyn ariannol</i>”) means— (a) the period beginning with the establishment of WRA and ending with 31 March in the following year, and (b) each subsequent period of a year ending with 31 March; “landfill disposals tax” (“<i>treth gwarediadau tirlenwi</i>”) has the same meaning as in LDТА; “land transaction” (“<i>trafodiad tir</i>”) has the same meaning as in LTТА; “LDТА” (“DTGT”) means the Landfill Disposals Tax (Wales) Act 2017 (anaw 3); “local authority” (“<i>awdurdod lleol</i>”) means— (a) a county council or county borough council in Wales, (b) a district council or county council in England, a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly, (c) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 (c. 39), or (d) a district council in Northern Ireland; “LTТА” (“DTTT”) means the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (anaw 0); “notice” (“<i>hysbysiad</i>”) means notice in writing; “partnership” (“<i>partneriaeth</i>”) means— (a) a partnership within the Partnership Act 1890 (c. 39), (b) a limited partnership registered under the Limited Partnerships Act 1907 (c. 24), or (c) a firm or entity of a similar character formed under the law of a country or territory outside the United Kingdom;	
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“principal council” (“prif gyngor”) means a council for a county or a county borough in Wales; “tax credit” (“credyd treth”) means a tax credit under regulations made under section 54 of LDТА; “tax period” (“cyfnod treth”) means a period in respect of which a WRA-collected tax is charged; “tax return” (“ffurflen dreth”) means a return relating to a WRA-collected tax; “taxpayer” (“trethdalwr”) means a person liable to pay a WRA-collected tax; “TCEA” (“DTLIG”) means the Tribunals, Courts and Enforcement Act 2007 (c. 15); “the tribunal” (“y tribiwnlys”) means— (a) the First-tier Tribunal, or (b) where determined by or under Tribunal Procedure Rules, the Upper Tribunal. “visitor levy” (“ardoll ymwelwyr”) has the same meaning as in Part 3 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00); “the Welsh Tax Acts” (“Deddfau Trethi Cymru”) means— (a) this Act, (b) LTТА, and (c) LDТА; “WRA-collected tax” (“treth a gesglir gan ACC”) means— (a) a devolved tax, or (b) the visitor levy. (3) For the purposes of this Act, a principal council has decided to introduce the visitor levy if it has published a notice under section 48 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 stating that it is going to introduce the visitor levy. <u>(4) A reference in this Act to a person to whom WRA has delegated any of its functions includes a person to whom the functions have been further delegated under an enactment or a rule of law.</u>	
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193 Index of defined expressions The following Table lists expressions defined or otherwise explained in this Act. N.B AMENDED TABLE 1 IS AT THE END OF THE SCHEDULE OF AMENDMENTS	Section 1(8)
<i>Functions</i> 13 Internal authorisation to carry out functions (1) WRA may authorise the carrying out of any of its functions (to any extent <u>and in any way specified in the authorisation</u>) by— (a) a member of WRA, (b) a committee of WRA or a sub-committee of such a committee, or (c) the chief executive or any other member of staff of WRA. ~~(2) But WRA may not authorise a committee or sub-committee to carry out any of its functions (to any extent) unless at least one of the members of the committee or sub-committee is a non-executive member of WRA.~~ (3) The authorisation of the carrying out of a function under this section does not affect— (a) WRA's ability to exercise the function, or (b) WRA's responsibility for the exercise of the function.	Section 2(2)
14 Delegations of functions (1) WRA may delegate any of its functions to any person prescribed by regulations made by the Welsh Ministers. (2) WRA may give directions to a person to whom any of its functions have been delegated about how the delegated functions are to be exercised and the person to whom the functions have been delegated must comply with any such direction. (3) Delegations or directions under this section may be varied or revoked at any time. (4) WRA must publish information about— (a) delegations under this section, and (b) directions under this section. (5) Subsection (4) does not apply to the extent that WRA considers that publication of information would prejudice the effective exercise of its functions.	Section 2(3)

(6) Delegation of a function under this section does not affect— (a) WRA's ability to exercise the function, or (b) WRA's responsibility for the exercise of the function. (7) WRA may make to a person to whom any of its functions have been delegated payments in respect of the exercise by the person of the delegated functions. <u>(8) If a person prescribed under subsection (1) ("P") is not a reserved authority and has the power to delegate P's own functions, a WRA function delegated under that subsection to P is treated as a function of P for the purposes of that power, subject to any direction under subsection (2) or any provision made in regulations under subsection (9).</u> <u>(9) The Welsh Ministers may by regulations prohibit or limit further delegation of WRA functions by a person prescribed under subsection (1) that is not a reserved authority and to whom WRA functions are delegated under this section.</u> <u>(10) In subsections (8) and (9), "reserved authority" has the meaning given in paragraph 8(3) of Schedule 7B to the Government of Wales Act 2006 (c. 32).</u>	
PART 10 FINAL PROVISIONS 192 Interpretation (1) For the purposes of this Act, an appeal or referral is finally determined when— (a) it has been determined, and (b) there is no further possibility of the determination being varied or set aside (disregarding any power to grant permission to appeal out of time). (2) In this Act— "buyer" ("prynwr") has the same meaning as in LTТА;] <u>"committee of WRA" ("pwyllgor o ACC") means a committee containing one or more members of WRA established under section 8(1);</u>	Section 2(4)

“contract settlement” (“<i>setliad contract</i>”) means an agreement made in connection with any person's liability to make a payment to WRA under any enactment; “devolved tax” (“<i>treth ddatganoledig</i>”) has the meaning given by section 116A(4) of the Government of Wales Act 2006 (c. 32); “enactment” (“<i>deddfiad</i>”) means an enactment (whenever enacted or made) which is, or is contained in— (a) an Act of Parliament, (b) an Act or a Measure of the National Assembly for Wales, or (c) subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)) made under— (i) an Act of Parliament, or (ii) an Act or a Measure of the National Assembly for Wales; “financial year” (“<i>blwyddyn ariannol</i>”) means— (a) the period beginning with the establishment of WRA and ending with 31 March in the following year, and (b) each subsequent period of a year ending with 31 March; “landfill disposals tax” (“<i>treth gwarediadau tirlenwi</i>”) has the same meaning as in LDТА; “land transaction” (“<i>trafodiad tir</i>”) has the same meaning as in LTТА; “LDТА” (“DTGT”) means the Landfill Disposals Tax (Wales) Act 2017 (anaw 3); “local authority” (“<i>awdurdod lleol</i>”) means— (a) a county council or county borough council in Wales, (b) a district council or county council in England, a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly, (c) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 (c. 39), or (d) a district council in Northern Ireland; “LTТА” (“DTTT”) means the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (anaw 0); “notice” (“<i>hysbysiad</i>”) means notice in writing; “partnership” (“<i>partneriaeth</i>”) means— (a) a partnership within the Partnership Act 1890 (c. 39),	
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(b) a limited partnership registered under the Limited Partnerships Act 1907 (c. 24), or (c) a firm or entity of a similar character formed under the law of a country or territory outside the United Kingdom; “principal council” (“prif gyngor”) means a council for a county or a county borough in Wales; “tax credit” (“credyd treth”) means a tax credit under regulations made under section 54 of LDТА; “tax period” (“cyfnod treth”) means a period in respect of which a WRA-collected tax is charged; “tax return” (“ffurflen dreth”) means a return relating to a WRA-collected tax; “taxpayer” (“trethdalwr”) means a person liable to pay a WRA-collected tax; “TCEA” (“DTLIG”) means the Tribunals, Courts and Enforcement Act 2007 (c. 15); “the tribunal” (“y tribiwnlys”) means— (a) the First-tier Tribunal, or (b) where determined by or under Tribunal Procedure Rules, the Upper Tribunal. “visitor levy” (“ardoll ymwelwyr”) has the same meaning as in Part 3 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00); “the Welsh Tax Act” (“Deddfau Trethi Cymru”) means— (a) this Act, (b) LTТА, and (c) LDТА. “WRA-collected tax” (“treth a gesglir gan ACC”) means— (a) a devolved tax, or (b) the visitor levy. (3) For the purposes of this Act, a principal council has decided to introduce the visitor levy if it has published a notice under section 48 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 stating that it is going to introduce the visitor levy.	
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<u>(4) A reference in this Act to a person to whom WRA has delegated any of its functions includes a person to whom the functions have been further delegated under an enactment or a rule of law.</u>	
<i>Information</i> 18 Permitted disclosures (1) A disclosure of protected information is permitted by this section if— [(za) it is made for the purposes of WRA's functions, other than the functions mentioned in ~~section 12(2)(a) and (e), and (3),~~] — (i) <u>section 12(2)(a) and (3), and</u> (ii) <u>section 12(2)(e) (but see subsection (1A)),</u> (a) it is made with the consent of each person to whom the information relates, (b) it is made for the purpose of obtaining services in connection with a function of WRA, (c) it is made for the purposes of a criminal investigation or criminal proceedings or for the purposes of the prevention or detection of crime, (d) it is made to a body with responsibility for the regulation of a profession in connection with misconduct on the part of a member of the profession which relates to a function of WRA, (e) it is made for the purposes of civil proceedings, (f) it is made in pursuance of an order of a court or tribunal, (g) it is made in accordance with an enactment requiring or permitting the disclosure, (h) it is made to WRA or to a person to whom WRA has delegated any of its functions for use in accordance with section 16, (i) it is made to Her Majesty's Revenue and Customs in connection with a function of WRA or in connection with a function of Her Majesty's Revenue and Customs, or (j) it is made to Revenue Scotland in connection with a function of WRA or in connection with the collection and management of a devolved tax within the meaning of the Scotland Act 1998 (c. 46). (k) the disclosure is of information acquired in connection with the functions of WRA under Part 2 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00), and it is made— (i) to a principal council in connection with a function of the principal council, or	Section 3(2), 3(3)

(ii) to the Welsh Ministers in connection with their functions under section 2 of the Development of Tourism Act 1969 <u>(l) it is made to a qualifying person in connection with a function of a principal council relating to the collection and management of council tax and non-domestic rates.</u> <u>(1A) Despite subsection (1)(za)(ii), a disclosure of protected information is permitted by this section if it is made to a principal council for the purposes of WRA's functions relating to the assessment and collection of the visitor levy.</u> <u>(1B) In subsection (1)(l), "qualifying person" means—</u> (a) <u>a principal council;</u> (b) <u>a person authorised to exercise any function of such a council relating to the collection and management of council tax and non-domestic rates;</u> (c) <u>a person providing services to such a council relating to the collection and management of council tax and non-domestic rates.</u> (2)The Welsh Ministers may by regulations amend subsection (1)	
20 Offence of wrongful disclosure of protected information (1) An individual who discloses information in contravention of section 17(1) commits an offence. (2) It is a defence for an individual charged with an offence under subsection (1) to prove that the individual reasonably believed— (a) that the disclosure of the information was permitted by section 18, or (b) that the information had already lawfully been made available to the public. (3) An individual who commits an offence under subsection (1) is liable— (a) on summary conviction, to imprisonment for a term not exceeding [the general limit in a magistrates' court]² or a fine (or both); (b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both). (4) This section does not affect the pursuit of any remedy or the taking of any action in relation to a contravention of section 17(1). <u>20A Restrictions on further disclosure of protected information</u> <u>(1) Protected information disclosed to—</u> (a) <u>a principal council under section 18(1)(za) or 18(1A), or</u>	Section 3(4)

<u>(b) a qualifying person (within the meaning of section 18(1B)) under section 18(1)(l).</u> <u>must not be further disclosed unless the disclosure is permitted by subsection (2).</u> <u>(2) A disclosure of protected information is permitted by this section if—</u> <u>(a) the disclosure is permitted by paragraphs (a), (c), (e), (f), (g), (h) and (l) of section 18(1), or</u> <u>(b) WRA consents in writing to the disclosure (and that consent may be general or specific).</u> <u>(3) A person who discloses information in contravention of subsection (1) commits an offence.</u> <u>(4) It is a defence for a person charged with an offence under this section to prove that the person reasonably believed—</u> <u>(a) that the disclosure was permitted by this section, or</u> <u>(b) that the information had already lawfully been made available to the public.</u> <u>(5) A person who commits an offence under this section is liable—</u> <u>(a) on summary conviction, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);</u> <u>(b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both).</u> <u>(6) This section does not affect the pursuit of any remedy or the taking of any action in relation to a contravention of subsection (1).</u> <u>(7) The Welsh Ministers may by regulations amend paragraph (a) of subsection (2).</u> <u>(8) In this section, "protected information" has the meaning given by section 17(3).</u>	
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189 Regulations

(1) Any power to make regulations under this Act—

(a) is exercisable by statutory instrument, and

(b) includes power to make different provision for different purposes.

(2) A statutory instrument containing regulations under section 18(2), 20A(7) [24A(5),] [122(5),] 156 or 172(7) (whether alone or with any other provision) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the National Assembly for Wales.

(3) Any other statutory instrument containing regulations under this Act is subject to annulment in pursuance of a resolution of the National Assembly for Wales.

PART 3

TAX RETURNS, ENQUIRIES AND ASSESSMENTS

CHAPTER 4

WRA ENQUIRIES

Notice and scope of enquiry

Section 4(2)

44 Scope of enquiry

(1) An enquiry into a tax return extends to anything contained in the tax return, or required to be contained in the tax return, that relates—

(a) to the question whether the person who made the tax return is chargeable to the [WRA-collected] tax to which the tax return relates,
...

(b) to the amount of [WRA-collected] tax chargeable on the person who made the tax return,

[(c) to the question whether the person who made the tax return is entitled to a tax credit claimed in the tax return, or

(d) to the amount of tax credit to which the person is entitled.]

(2) But if a notice of enquiry is issued as a result of the amendment of a tax return under section 41 after an enquiry into the tax return has been completed, the enquiry is limited to—

(a) matters to which the amendment relates, and

(b) matters affected by the amendment.

Withholding repayments during enquiry

44A Power to withhold repayments of tax during enquiry into an amendment to a tax return

(1) Subsection (2) applies if—

(a) an amendment to a tax return is notified to WRA under section 41,

(b) the amendment would have the effect of requiring WRA to repay an amount in respect of WRA-collected tax,

(c) WRA has reason to believe there is a risk that the amendment to the tax return may not reflect the correct tax position of the taxpayer,
and

<u>(d) WRA issues a notice of enquiry into the return under section 43(1) after the amendment is notified.</u> <u>(2) WRA may withhold the repayment until a closure notice is issued for the enquiry under section 50.</u> <u>(3) WRA must notify the person who made the tax return of a decision under this section to withhold a repayment.</u>	
PART 8 REVIEWS AND APPEALS CHAPTER 1 INTRODUCTORY <i>Appealable decisions</i> 172 Appealable decisions (1) A person to whom an appealable decision applies— (a) may request a review of the decision (subject to subsection (4)), and (b) may appeal against the decision, in accordance with the following provisions of this Part. (2) The following decisions by WRA are appealable decisions— (a) a decision which affects whether a person is chargeable to a [WRA-collected] tax; (b) a decision which affects the amount of a [WRA-collected] tax to which a person is chargeable; (c) a decision which affects the day by which an amount of a [WRA-collected] tax must be paid; <u>(ca) a decision under section 44A to withhold a repayment arising from an amendment to a tax return;</u> (d) a decision about a penalty relating to a [WRA-collected] tax; [(da) a decision relating to a penalty point for failure to make a visitor levy return (within the meaning of Part 5);	Section 4(3)

(db)a decision to issue a taxpayer notice, or to include a particular requirement in such a notice, where the tribunal did not approve the issuing of the notice;] (e)a decision to issue an information notice or to include a particular requirement in such a notice. [(f)a decision to issue a notice under paragraph 14 of Schedule 16 to LTTA (recovery of group relief: notice requiring payment by another group company or controlling director); (g)a decision to issue a notice under paragraph 9 of Schedule 17 to that Act (recovery of reconstruction or acquisition relief: notice requiring payment by another group company or controlling director);] [(h)a decision relating to the method to be used by the operator of an authorised landfill site to determine the weight of material for the purposes of landfill disposals tax;] [(i)a decision relating to the registration of a person for the purposes of landfill disposals tax;] [(j)a decision relating to the designation of a non-disposal area for the purposes of landfill disposals tax;] [(k)a decision relating to the designation of a group of bodies corporate for the purposes of landfill disposals tax;] [(l)a decision relating to a tax credit in respect of landfill disposals tax.] [(2A)In subsection (2), “operator”, “authorised landfill site”, “registration” and “non-disposal area” have the same meanings as in LDTA.] (3)But the following decisions are not appealable decisions— (a)a decision to issue a notice of enquiry under section 43 or 74; (b)a decision to issue— (i)a taxpayer notice [where the tribunal approved the issuing of the notice], or (ii)a third party notice to which section 90(3) applies; (c)a decision to include a particular requirement in— (i)a taxpayer notice [where the tribunal approved the issuing of the notice], or (ii)a third party notice to which section 90(3) applies. (4)Where the tribunal has approved the issuing of an information notice, a person may not request a review of WRA's decision to issue the notice. (5)Where a review may be requested, or an appeal made, in respect of a decision to issue an information notice or include a requirement in such a notice, it may be requested or made only on the following grounds—	
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(a)that it is unreasonable to require the person to whom the notice was issued to comply with the notice or requirement; (b)that a provision of sections 97 to 102 prevents the notice from requiring the person to provide the information or produce the document; (c)in the case of an identification notice issued under section 92 or a debtor contact notice issued under section 93, that condition 4 of that section has not been met. (6)In the case of a decision to issue an information notice or to include a particular requirement in such a notice, the person to whom the decision applies for the purposes of subsection (1) is the person to whom the notice was issued. (7)The Welsh Ministers may by regulations— (a)modify this section to— (i)add a decision to subsection (2) or (3); (ii)vary the description of a decision in either of those subsections; (iii)remove a decision from either of those subsections; (b)amend this Part in order to make provision about the grounds on which a review may be requested, or an appeal made, in respect of an appealable decision. <u>N.B. contained within the Bill at section 4(4): <i>The amendments made by this section do not apply in relation to amendments to a tax return made under section 41 of the TCMA that are notified to the Welsh Revenue Authority before this section comes into force.</i></u>	
CHAPTER 8 PROCEDURE FOR MAKING CLAIMS ETC. 73 Giving effect to claims and amendments (1)As soon as practicable after a claim is made, amended or corrected— (a)WRA must issue notice of its decision to the claimant, and (b)where WRA decides to give effect to the claim or amendment (whether in part or in full), it must do so by discharge or repayment of [WRA-collected] tax <u>and any late payment interest related to that amount.</u>	Section 5(2), 5(3) and 5(4)

<u>(1A) For the purposes of subsection (1)(b) and section 77(1)(b), late payment interest is related to an amount of WRA-collected tax to the extent that it -</u> <u>(a) is attributable to the amount, and</u> <u>(b) would not have been incurred had the amount of WRA-collected tax discharged or repaid never been chargeable or payable.</u> (2) Where WRA enquires into a claim or amendment— (a) subsection (1) does not apply until a closure notice is issued under section 75, and then it applies subject to section 77, but (b) WRA may at any time before then give effect to the claim or amendment, on a provisional basis, to such extent as it thinks fit.	
77 Giving effect to amendments under section 75 (1) Within 30 days after the day on which a notice under section 75(2)(b) is issued WRA must give effect to the amendment by making such adjustment as may be necessary, whether— (a) by way of assessment on the claimant, or (b) by discharge or repayment of [F1WRA-collected] tax <u>and any late payment interest related to that amount.</u> (2) An assessment made under subsection (1) is not out of time if it is made within the time mentioned in that subsection.	Section 5(3)
157 Late payment interest on WRA-collected taxes (1) This section applies to an amount of [F2WRA-collected] tax— (a) stated in a tax return as— (i) the tax chargeable, or (ii) if the tax return is a further return made by the buyer in a land transaction, the land transaction tax (or additional land transaction tax) payable; (b) payable— (i) as a result of an amendment to a tax return under section 41, 45 or 50; (ii) as a result of a correction to a tax return under section 42; (iii) in accordance with an assessment made in addition to a tax return under section 54 or 55, or (c) payable in accordance with— (i) a determination under section 52, or (ii) an assessment under section 54 or 55, made in place of a tax return which was required to be made.	Section 5(4)

(1A) This section also applies to an amount of landfill disposals tax charged by a charging notice issued under section 49 or 50 of LDТА.] (2) If the amount is not paid before the late payment interest start date, the amount carries interest (referred to in this Part <u>Act</u> as “late payment interest”) at the late payment interest rate for the period— (a) beginning with the late payment interest start date, and (b) ending with the date of payment. (3) The late payment interest start date is — (a) in the case of an amount falling within subsection (1)(a) or (b), the date after the filing date for the tax return; (b) in the case of an amount falling within subsection (1)(c) the date after the filing date for the tax return which was required to be made. [F4(c) in the case of an amount falling within subsection (1A), the date immediately after the end of the period specified in section 51 of LDТА.] (4) But where section 160 applies the late payment interest start date is the date specified in that section.]	
PART 10 FINAL PROVISIONS 192 Interpretation (1) For the purposes of this Act, an appeal or referral is finally determined when— (a) it has been determined, and (b) there is no further possibility of the determination being varied or set aside (disregarding any power to grant permission to appeal out of time). (2) In this Act— “buyer” (“<i>prynwr</i>”) has the same meaning as in LTТА;] <u>“committee of WRA” (“<i>pwylgor o ACC</i>”) means a committee containing one or more members of WRA established under section 8(1);</u> “contract settlement” (“<i>setliad contract</i>”) means an agreement made in connection with any person's liability to make a payment to WRA under any enactment;	Section 5(5)

“devolved tax” (“<i>treth ddatganoledig</i>”) has the meaning given by section 116A(4) of the Government of Wales Act 2006 (c. 32); “enactment” (“<i>deddfiad</i>”) means an enactment (whenever enacted or made) which is, or is contained in— (a) an Act of Parliament, (b) an Act or a Measure of the National Assembly for Wales, or (c) subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)) made under— (i) an Act of Parliament, or (ii) an Act or a Measure of the National Assembly for Wales; “financial year” (“<i>blwyddyn ariannol</i>”) means— (a) the period beginning with the establishment of WRA and ending with 31 March in the following year, and (b) each subsequent period of a year ending with 31 March; “landfill disposals tax” (“<i>treth gwarediadau tirlenwi</i>”) has the same meaning as in LDТА; “land transaction” (“<i>trafodiad tir</i>”) has the same meaning as in LTТА; <u>“late payment interest” (“<i>llog taliadau hwyr</i>”) has the meaning given by section 157(2);</u> “LDТА” (“DTGT”) means the Landfill Disposals Tax (Wales) Act 2017 (anaw 3); “local authority” (“<i>awdurdod lleol</i>”) means— (a) a county council or county borough council in Wales, (b) a district council or county council in England, a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly, (c) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 (c. 39), or (d) a district council in Northern Ireland; “LTТА” (“DTTT”) means the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (anaw 0); “notice” (“<i>hysbysiad</i>”) means notice in writing; “partnership” (“<i>partneriaeth</i>”) means— (a) a partnership within the Partnership Act 1890 (c. 39),	
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(b) a limited partnership registered under the Limited Partnerships Act 1907 (c. 24), or (c) a firm or entity of a similar character formed under the law of a country or territory outside the United Kingdom; “principal council” (“prif gyngor”) means a council for a county or a county borough in Wales; “tax credit” (“credyd treth”) means a tax credit under regulations made under section 54 of LDТА; “tax period” (“cyfnod treth”) means a period in respect of which a WRA-collected tax is charged; “tax return” (“ffurflen dreth”) means a return relating to a WRA-collected tax; “taxpayer” (“trethdalwr”) means a person liable to pay a WRA-collected tax; “TCEA” (“DTLIG”) means the Tribunals, Courts and Enforcement Act 2007 (c. 15); “the tribunal” (“y tribiwnlys”) means— (a) the First-tier Tribunal, or (b) where determined by or under Tribunal Procedure Rules, the Upper Tribunal. “visitor levy” (“ardoll ymwelwyr”) has the same meaning as in Part 3 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00); “the Welsh Tax Act” (“Deddfau Trethi Cymru”) means— (a) this Act, (b) LTТА, and (c) LDТА. “WRA-collected tax” (“treth a gesglir gan ACC”) means— (a) a devolved tax, or (b) the visitor levy. (3) For the purposes of this Act, a principal council has decided to introduce the visitor levy if it has published a notice under section 48 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 stating that it is going to introduce the visitor levy.	
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<u>(4) A reference in this Act to a person to whom WRA has delegated any of its functions includes a person to whom the functions have been further delegated under an enactment or a rule of law.</u>	
73 Giving effect to claims and amendments (1)As soon as practicable after a claim is made, amended or corrected— (a)WRA must issue notice of its decision to the claimant, and (b)where WRA decides to give effect to the claim or amendment (whether in part or in full), it must do so by discharge or repayment of [WRA-collected] tax <u>and any late payment interest related to that amount.</u> <u>(1A) For the purposes of subsection (1)(b), late payment interest is related to an amount of WRA-collected tax to the extent that it -</u> <u>(a) is attributable to the amount, and</u> <u>(b) would not have been incurred had the amount of WRA-collected tax discharged or repaid under subsection (1) never been chargeable or payable.</u> <u>(1B) Where WRA decides not to give effect to a claim or amendment (whether in part or in full), the notice under subsection (1) must—</u> <u>(a) give reasons for reaching that conclusion, and</u> <u>(b) set out information about rights of review and appeal.</u> <u>(1C) Where WRA enquires into a claim or amendment, subsection (1)(a) does not apply (see sections 74 and 75 for provision about notices where WRA enquires into a claim or amendment).</u> (2)~~Where~~ <u>Also where</u> WRA enquires into a claim or amendment— (a)subsection (1)~~(b)~~ does not apply until a closure notice is issued under section 75, and then it applies subject to section 77, but (b)WRA may at any time before then give effect to the claim or amendment, on a provisional basis, to such extent as it thinks fit.	Section 6(2) and 6(3)
CHAPTER 3 RESTRICTIONS ON POWERS IN CHAPTER 2 100 Taxpayer notices following a tax return	

(1) Where a person has made a tax return for a tax period, a taxpayer notice may not be issued for the purpose of checking that person's tax position for that period. (2) Where a person has made a tax return in relation to a transaction, a taxpayer notice may not be issued for the purpose of checking a person's tax position in relation to that transaction. (3) Subsections (1) and (2) do not apply where (or to the extent that) either condition 1 ~~or 2~~ <u>2, 3 or 4</u> is met. (4) Condition 1 is that a notice of enquiry has been issued in respect of— (a) the tax return, or (b) a claim (or an amendment of a claim) made by the person in relation to the tax period or the transaction to which the return relates, and the enquiry has not been completed. (5) Condition 2 is that, as regards the person, WRA has reason to suspect that— (a) an amount that ought to have been assessed to a [WRA-collected] tax for the tax period or in relation to the transaction may not have been assessed, (b) an assessment to a [WRA-collected] tax for the tax period or in relation to the transaction may be or have become insufficient, ... (c) relief from a [WRA-collected] tax given or claimed for the tax period or in relation to the transaction may be or have become excessive, [(d) an amount of tax credit to which the person is not entitled may have been claimed, or (e) a claim for tax credit may be or have become excessive.] <u>(5A) Condition 3, as regards a transaction relieved to any extent from land transaction tax, is that the notice is given for the purpose of checking whether the relief is withdrawn to any extent under a provision mentioned in section 49 of the LTTA.</u> <u>(5B) Where condition 3 is met (and not any of conditions 1, 2 or 4)—</u> <u>(a) in respect of a relief subject to a control period, a taxpayer notice may not be given by virtue of this section after the end of the period of 12 months beginning with the end of the control period;</u> <u>(b) in respect of relief under Schedule 14 to the LTTA (relief for certain acquisitions of dwellings), a taxpayer notice may not be given by virtue of this section after the end of the period of 4 years beginning with the effective date of the transaction.</u> <u>(5C) In subsection (5B)—</u>	Section 7(2) and 7(3)
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<u>“control period” (“cyfnod rheoli”) means—</u> <u>(a) in relation to relief for a transaction under paragraph 13 of Schedule 11 to the LTТА, the period of 10 years beginning with the effective date of the transaction;</u> <u>(b) in relation to relief for a transaction under paragraph 15 of Schedule 11 to the LTТА, the period of 10 years beginning with the effective date of the first transaction in respect of which the transaction is the second transaction (within the meaning of Schedule 11);</u> <u>(c) in relation to relief for a transaction under—</u> <u>(i) paragraph 2 of Schedule 16 to the LTТА (group relief),</u> <u>(ii) paragraph 2 or 3 of Schedule 17 to the LTТА (reconstruction and acquisition relief),</u> <u>(iii) paragraph 3 or 6 of Schedule 18 to the LTТА (charities relief), or</u> <u>(iv) paragraph 6 or 7 of Schedule 21A to the LTТА (relief for special tax sites),</u> <u>the period of 3 years beginning with the effective date of the transaction;</u> <u>“relief subject to a control period” (“rhyddhad sy’n ddarostyngedig i gyfnod rheoli”) means relief under any of the following provisions—</u> <u>(a) paragraph 13 or 15 of Schedule 11 to the LTТА (relief for alternative finance investment bonds);</u> <u>(b) paragraph 2 of Schedule 16 to the LTТА;</u> <u>(c) paragraph 2 or 3 of Schedule 17 to the LTТА;</u> <u>(d) paragraph 3 or 6 of Schedule 18 to the LTТА;</u> <u>(e) paragraph 6 or 7 of Schedule 21A to the LTТА;</u> <u>(5D) Condition 4, as regards a transaction, is that—</u> <u>(a) a refund of overpaid land transaction tax has been made following a claim under paragraph 23A(5) of Schedule 5 to the LTТА, and</u> <u>(b) the notice is given for the purpose of checking whether the refund has become repayable.</u> <u>(5E) Where condition 4 is met (and not any of conditions 1, 2 or 3), a taxpayer notice may not be given by virtue of this section after the end of the period of 12 months beginning with the end of the control period.</u> <u>(5F) In subsection (5E) “control period” means the period of five years beginning with the effective date of the disposal transaction in respect of which the refund was made.</u>	
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<u>(5G) “Disposal transaction” has the same meaning for the purposes of subsection (5F) as for the purposes of paragraph 9A, 18A, 20A or 21A (as the case may be) of Schedule 5 to the LTТА.</u> <u>(5H) “Effective date” has the same meaning for the purposes of this section as for the purposes of section 71 of the LTТА.”</u> <i>N.B. section 7(4) clarifies that: The amendments made by this section have effect whenever the land transaction return under section 44 of the LTТА was delivered.</i> (6) Where any partner in a partnership has made a tax return, this section has effect as if that return had been made by each of the partners. (7) References in this section to a person who has made a tax return refer only to that person in the capacity in which the return was made.	
CHAPTER 4 INSPECTIONS OF PREMISES AND PROPERTY 103 Power to inspect business premises (1) If WRA has grounds for believing that the inspection of a person's business premises is required for the purpose of checking the person's tax position, WRA may enter the premises and inspect— (a) the premises; (b) business assets that are on the premises; (c) business documents that are on the premises (but see section 110). ~~(2) But WRA may carry out such an inspection only with—~~ ~~(a) the agreement of the occupier of the premises, or~~ ~~(b) the approval of the tribunal.~~ <u>(2) But WRA may only carry out such an inspection in accordance with subsections (3) and (3A).</u> (3) An inspection may be carried out— (a) at a time agreed to by the occupier of the premises, or (b) if the inspection has been approved by the tribunal— (i) at a reasonable time specified in a notice issued to the occupier at least 7 days before that time, or (ii) at any reasonable time if the tribunal, when approving the inspection, is satisfied that WRA has grounds for believing that	Section 8(2)

notifying the occupier would seriously prejudice the assessment or collection of [WRA-collected] tax. <u>(3A) An inspection for the purpose of checking a person's tax position in relation to landfill disposals tax may also be carried out without the agreement of the occupier and without the approval of the tribunal—</u> <u>(a) at a reasonable time specified in a notice issued to the occupier at least 7 days before that time, or</u> <u>(b) at any reasonable time if WRA has grounds for believing that notifying the occupier would seriously prejudice the assessment or collection of WRA-collected tax.</u> (4) If WRA seeks to carry out an inspection without— (a) the agreement of the occupier, or (b) issuing a notice under subsection (3)(b)(i) <u>or (3A)(a)</u>, WRA must provide a notice at the time the inspection is to begin. (5) A notice provided under subsection (4) must— (a) if the occupier of the premises is present, be provided to the occupier; (b) if the occupier is not present but there is a person present who appears to WRA to be in charge of the premises, be provided to that person; (c) in any other case, be left in a prominent place on the premises. (6) A notice issued under subsection (3)(b)(i), or provided under subsection (4), must state— (a) that the inspection has been approved by the tribunal, and (b) the possible consequences of obstructing a person exercising WRA's functions. (7) The powers under this section do not include power to enter or inspect any part of the premises that is used solely as a dwelling. [(8) An inspection of premises is not to be carried out under this section if WRA has the power to carry out the inspection under section 103B.]	
103B Further power to inspect premises: taxable disposals made at places other than authorised landfill sites (1) This section applies if WRA has grounds for believing— (a) that a disposal of material that is or may be a taxable disposal has been made at a place that is not, and does not form part of, an authorised landfill site, and	

(b)that the inspection of premises within subsection (3) is required for one or more of the purposes listed in subsection (4). (2) WRA may enter the premises and inspect— (a)the premises, and (b)anything on the premises (including documents). (3) Premises are within this subsection if ~~WRA has reason to believe that—~~ (a) <u>the premises are in Wales and WRA has reason to believe that</u> the disposal was made at them, or (b) <u>the premises are in Wales or England and WRA has reason to believe that</u> the occupier of the premises meets, or may meet, the charging condition in respect of the disposal. (4) The purposes are— (a)determining whether the disposal was made at the premises; (b)identifying the nature or origin of the material disposed of; (c)identifying the date on which the disposal was made; (d)determining whether the disposal is a taxable disposal; (e)determining the weight of the material disposed of; (f)determining the amount of any proposed charge to tax under LDТА on the disposal; (g)identifying a person who meets, or may meet, the charging condition in respect of the disposal. (5) Subsections (2) to (7) of section 103 apply in respect of an inspection under this section as they apply in respect of an inspection under section 103(1). (6) In this section— (a)“authorised landfill site”, “material” and “taxable disposal” have the same meanings as in LDТА; (b)references to a person meeting the charging condition have the same meaning as in Chapter 2 of Part 4 of LDТА.]	Section 8(3)
105 Carrying out inspections under section 103 [103A or 103B]: use of equipment and materials (1)WRA, or a person accompanying WRA, may take any equipment or materials required for the purpose of an inspection under section [F2103, 103A or 103B onto the] premises being inspected. (2)WRA, or a person accompanying WRA, may take equipment or materials onto the premises— (a)at a time agreed to by the occupier of the premises, or (b)at any reasonable time, if either—	Section 8(4)

(i) a notice was issued under section 103(3)(b)(i) <u>or 103(3A)(a)</u> and the notice specified that the equipment or materials were to be taken onto the premises, or (ii) WRA has grounds for believing that issuing such a notice would seriously prejudice the assessment or collection of [WRA-collected] tax. (3) If equipment or materials are taken onto premises without— (a) the agreement of the occupier, or (b) a notice having been issued in accordance with subsection (2)(b)(i), WRA must provide a notice at the time the equipment or materials are to be taken onto the premises. (4) The notice must— (a) if the occupier of the premises is present, be provided to the occupier; (b) if the occupier is not present but there is a person present who appears to WRA to be in charge of the premises, be provided to that person; (c) in any other case, be left in a prominent place on the premises. (5) The notice must state the possible consequences of obstructing a person exercising WRA's functions. (6) If the inspection, or the use of equipment or materials, has been approved by the tribunal, the notice must state that fact. [(7) References in this section to a notice issued under section 103(3)(b)(i) <u>or 103(3A)(a)</u> include a notice issued under ~~that provision~~ <u>those provisions</u> as applied by sections 103A(4) and 103B(5).]	
106 Power to inspect premises or property for valuation etc. (1) WRA may enter premises <u>in Wales</u> and inspect the premises and any property on the premises for the purpose of valuing, measuring or determining the character of the premises or property if— (a) the valuation, measurement or determination is required for the purposes of checking any person's tax position, and (b) either condition 1 or 2 is met. (2) Condition 1 is that— (a) the inspection is carried out at a time agreed to by a relevant person, and (b) a notice of the agreed time of the inspection has been issued to the relevant person. (3) Condition 2 is that—	

(a)the inspection has been approved by the tribunal, and (b)a notice of the time of the inspection has been issued to a relevant person specified by the tribunal at least 7 days before that time. (4) In this section, “relevant person” means— (a)the occupier of the premises, or (b)if the occupier cannot be identified or the premises are vacant, a person who controls the premises. (5) A notice under subsection (2)(b) or (3)(b) must state possible consequences of obstructing a person exercising WRA's functions. (6) A notice under subsection (3)(b) must also state that the inspection has been approved by the tribunal. (7) If WRA considers it necessary to assist with the inspection, WRA may be accompanied by a person authorised by WRA.	Section 8(5)
111 Interpretation of Chapter 4 (1) In this Chapter— “business assets” (“asedau busnes”) means assets that WRA has reason to believe are owned, leased or used in connection with the carrying on of a business by any person, but does not include documents; “business documents” (“dogfennau busnes”) means documents (or copies of documents) that relate to the carrying on of a business by any person; “business premises” (“mangre busnes”), in relation to a person, means premises (or any part of premises <u>in Wales or England</u>) that WRA has reason to believe are (or is) used in connection with the carrying on of a business by or on behalf of the person; “premises” (“mangre”) includes any building or structure, any land and any means of transport. (2) For the purposes of the definition of “premises” in subsection (1) as it applies in relation to landfill disposals tax, “land” includes material (within the meaning of LDТА) that WRA has grounds for believing has been deposited on the surface of land or on a structure set into the surface, or under the surface of land.	Section 8(6)
PART 6 INTEREST	

CHAPTER 1

Section 9

INTEREST ON AMOUNTS PAYABLE TO WRA

157 Late payment interest on [WRA-collected] taxes

(1) This section applies to an amount of [WRA-collected] tax—

(a) stated in a tax return as—

(i) the tax chargeable, or

(ii) if the tax return is a further return made by the buyer in a land transaction, the land transaction tax (or additional land transaction tax) payable;

(b) payable—

(i) as a result of an amendment to a tax return under section 41, 45 or 50;

(ii) as a result of a correction to a tax return under section 42;

(iii) in accordance with an assessment made in addition to a tax return under section 54 or 55, or

(c) payable in accordance with—

(i) a determination under section 52, or

(ii) an assessment under section 54 or 55,

made in place of a tax return which was required to be made.

[(1A) This section also applies to an amount of landfill disposals tax charged by a charging notice issued under section 49 or 50 of LDTA.]

(2) If the amount is not paid before the late payment interest start date, the amount carries interest (referred to in this Part as “late payment interest”) at the late payment interest rate for the period—

(a) beginning with the late payment interest start date, and

(b) ending with the date of payment.

(3) The late payment interest start date is —

(a) in the case of an amount falling within subsection (1)(a) or (b), the date after the filing date for the tax return;

(b) in the case of an amount falling within subsection (1)(c) the date after the filing date for the tax return which was required to be made.

[(c)in the case of an amount falling within subsection (1A), the date immediately after the end of the period specified in section 51 of LDTA.] (4) But where section 160 applies the late payment interest start date is the date specified in that section.] <u>(5) For the avoidance of doubt, where an amount of WRA-collected tax within subsection (1)(b) is not paid before the late payment interest start date, interest is carried on that amount and not the amount of WRA collected-tax stated in the tax return which is amended, corrected or assessed as described in subsection (1)(b).</u>	
PART 10 FINAL PROVISIONS 187A Crown application for the purposes of Land Transaction Tax (1) In so far as the following provisions of this Act apply to land transaction tax, they bind the Crown— (a)Part 3; (b)Part 4 (other than Chapter 6); (c)Part 6 (other than sections 157A, 160 and 161(2)(b)); (d)Part 7 (other than sections 168, 169 and 170); (e)Part 8 (other than sections ~~172(1)(d) and (e), (3)(b) and (c), (4), (5) and (6), 182 and 183~~ <u>172(2)(d) and 182</u>); (f)sections 190 and 191. (2) But Part 4 ~~does not~~ <u>and sections 172(2)(e), (3)(b) and (c), (4), (5) and (6) and 183 do not</u> apply to Her Majesty in Her private capacity (within the meaning of section 38(3) of the Crown Proceedings Act 1947 (c. 44)).]	Section 10(2) and 10(3)
Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017	Amended by
SCHEDULE 5 HIGHER RATES RESIDENTIAL PROPERTY TRANSACTIONS PART 2 BUYER IS AN INDIVIDUAL: SINGLE DWELLING TRANSACTIONS	

<i>Higher rates residential property</i> 3(1) A chargeable transaction is a higher rates residential property transaction if— (a) it falls within sub-paragraph (2), and (b) paragraph 5 applies. (2) A transaction falls within this sub-paragraph if— (a) the buyer is an individual, (b) the main subject-matter of the transaction consists of a major interest in a dwelling (“the purchased dwelling”), and (c) the chargeable consideration for the transaction is £40,000 or more. (3) But a transaction does not fall within sub-paragraph (2) if at the end of the day that is the effective date of the transaction— (a) the purchased dwelling is subject to a lease, (b) the main subject-matter of the transaction is reversionary on that lease, and (c) the lease meets the conditions set out in sub-paragraph (4). (4) The conditions are that— (a) the lease is not held by a person connected with the buyer, and (b) the lease has an unexpired term of more than 21 years. (5) This paragraph applies subject to the exceptions provided for in— (a) paragraph 7 (interest in same main residence exception), (b) paragraph 8 (replacement of main residence exception), ~~and~~ (c) paragraph 9A (subsequent disposal to local authorities ~~exception~~), ~~and~~ <u>(d) paragraph 9B (collective rights).</u> (6) In this Part of this Schedule, “<i>purchased dwelling</i>” has the meaning given by sub-paragraph (2)(b).	Section 11(2)
<i>Subsequent disposal to local authorities exception: buyer is an individual in a single dwelling transaction</i> 9A (1) This paragraph applies to a transaction (“the acquisition transaction”)—	Section 11(3)

(a) that is a higher rates residential property transaction under paragraph 3, (b) the effective date of which is during the period beginning with 13 February 2026 and ending with 31 March 2031, and (c) the chargeable consideration for which is £400,000 or less. (2) The acquisition transaction ceases to be a higher rates residential property transaction under paragraph 3 if— (a) in another transaction ("the disposal transaction") the buyer in the acquisition transaction grants a lease of the purchased dwelling ("the leased dwelling") to a local authority, (b) the lease is for a term of at least 5 years but not more than 20 years, (c) the rent payable under the lease is no greater than the maximum local housing allowance applicable at the effective date of the disposal transaction in respect of the leased dwelling, and (d) the effective date of the disposal transaction is during the period of 18 months beginning with the effective date of the acquisition transaction. (3) If the lease granted in the disposal transaction is terminated by the buyer in the acquisition transaction before the 5th anniversary of the effective date of the disposal transaction, sub-paragraph (2) is treated as if it never applied to the acquisition transaction. (4) For further provision in connection with— (a) a transaction to which sub-paragraph (2) applies, see paragraph 23A; (b) a transaction to which sub-paragraph (3) applies, see paragraph 23B. (5) For the purposes of sub-paragraph (2), paragraph 20(1) of Schedule 6 (agreement for lease that is substantially performed is treated as a grant of a lease) does not apply. <u><i>Exception for persons exercising collective rights</i></u> <u>9B A transaction is not a higher rates residential property transaction under paragraph 3 if relief applies to the transaction by virtue of paragraph 10 of Schedule 14 (relief for collective rights).</u>	
PART 3 BUYER IS AN INDIVIDUAL: MULTIPLE DWELLING TRANSACTIONS	

<i>Higher rates residential property transaction</i> 11 (1)A chargeable transaction is a higher rates residential property transaction if— (a)it falls within sub-paragraph (2), and (b)paragraph 13 or 15 applies. <u>(1A) Subsection (1) applies subject to—</u> <u>(a) sub-paragraph (5), and</u> <u>(b) the exception in sub-paragraph (6).</u> (2)A transaction falls within this sub-paragraph if— (a)the buyer is an individual, and (b)the main subject-matter of the transaction consists of a major interest in two or more dwellings (“the purchased dwellings”). (3)In this Part of this Schedule, “<i>purchased dwellings</i>” has the meaning given by sub-paragraph (2)(b). (4)Where paragraph 18 applies, an intermediate transaction (within the meaning given by that paragraph) is to be treated as a higher rates residential property transaction. (5)A transaction within section 72(9) is not a higher rates residential property transaction save where Schedule 13 applies (see in particular paragraph 6(6) of that Schedule). <u>(6) A transaction is not a higher rates residential property transaction under sub-paragraph (1) if relief applies to the transaction by virtue of paragraph 10 of Schedule 14 (relief for collective rights).</u>	Section 11(4)
PART 4 BUYER IS NOT AN INDIVIDUAL <i>Transaction involving a dwelling</i> 20 (1)A chargeable transaction is a higher rates residential property transaction if— (a)the buyer is not an individual, (b)the main subject-matter of the transaction consists of a major interest in a dwelling (“the purchased dwelling”), and (c)the chargeable consideration for the dwelling is £40,000 or more. (1A)Sub-paragraph (1) applies subject to the exceptions in—	Section 11(5)

(a) sub-paragraph (2), and <u>(aa) sub-paragraph (4), and</u> (b) paragraph 20A (subsequent disposal to local authorities exception). (2) A transaction is not a higher rates residential property transaction under sub-paragraph (1) if at the end of the day that is the effective date of the transaction— (a) the purchased dwelling is subject to a lease, (b) the main subject-matter of the transaction is reversionary on that lease, and (c) the lease meets the conditions set out in sub-paragraph (3). (3) The conditions are that— (a) the lease is not held by a person connected with the buyer, and (b) the lease has an unexpired term of more than 21 years. <u>(4) A transaction is not a higher rates residential property transaction under sub-paragraph (1) if relief applies to the transaction by virtue of paragraph 10 of Schedule 14 (relief for collective rights).</u>	
<i>Transaction involving multiple dwellings</i> 21 (1) A chargeable transaction is a higher rates residential property transaction if— (a) the buyer is not an individual, (b) the main subject-matter of the transaction consists of a major interest in two or more dwellings (“the purchased dwellings”), and (c) at least one of the purchased dwellings is a dwelling to which sub-paragraph (2) applies. <u>(1A) Sub-paragraph (1) applies subject to—</u> <u>(a) sub-paragraph (5),</u> <u>(b) sub-paragraph (6), and</u> <u>(c) paragraph 21A (subsequent disposal to local authorities exception).</u> (2) This sub-paragraph applies to a purchased dwelling if the amount of the chargeable consideration for the transaction which is attributable on a just and reasonable basis to the purchased dwelling is £40,000 or more. (3) But sub-paragraph (2) does not apply to a purchased dwelling if at the end of the day that is the effective date of the transaction— (a) the purchased dwelling is subject to a lease,	Section 11(6)

(b)the main subject-matter of the transaction is reversionary on that lease, and (c)the lease meets the conditions set out in sub-paragraph (4). (4)The conditions are that— (a)the lease is not held by a person connected with the buyer, and (b)the lease has an unexpired term of more than 21 years. (5)A transaction within section 72(9) is not a higher rates residential property transaction save where Schedule 13 applies (see in particular paragraph 6(6) of that Schedule). ~~(5A)This paragraph applies subject to paragraph 21A (subsequent disposal to local authorities exception).~~ <u>(6) A transaction is not a higher rates residential property transaction under sub-paragraph (1) if relief applies to the transaction by virtue of paragraph 10 of Schedule 14 (relief for collective rights).</u>	
PART 2 BUYER IS AN INDIVIDUAL: SINGLE DWELLING TRANSACTIONS <i>Two or more buyers</i> 6 Where there are two or more buyers who are individuals in a transaction— (a)the transaction is a higher rates residential property transaction if paragraph 3 applies in relation to any one of the buyers; (b)an intermediate transaction (within the meaning of paragraph 9(2)) is to be treated as a higher rates residential property transaction if paragraph 9 applies in relation to any one of the buyers. <u><i>Persons who do not count as buyers for certain purposes</i></u> <u>6A(1) Sub-paragraph (2) applies where —</u> <u>(a) there are two or more buyers in a chargeable transaction, all of whom are individuals, and</u> <u>(b) at least one of the buyers in the transaction, but not all of them, is also the seller (“the existing owner”).</u> <u>(2) Any existing owner is not to be treated as a buyer for the purposes of paragraphs 3, 5, 6 and 8.</u>	Section 12(2)
PART 3	

BUYER IS AN INDIVIDUAL: MULTIPLE DWELLINGS TRANSACTIONS

Section
12(3)

Buyer has a major interest in other dwelling

15(1) This paragraph applies if—

- (a) only one of the purchased dwellings is a qualifying dwelling, and
- (b) at the end of the day that is the effective date of the transaction—
 - (i) the buyer has a major interest in a dwelling other than one of the purchased dwellings, and
 - (ii) that interest has a market value of £40,000 or more.

(2) But this paragraph does not apply if the interest described in sub-paragraph (1)(b) is reversionary on a lease which—

- (a) is not held by a person connected with the buyer, and
- (b) has an unexpired term of more than 21 years.

(3) Where the buyer is jointly entitled with one or more persons to the major interest referred to in sub-paragraph (1)(b)(i), the reference in sub-paragraph (1)(b)(ii) to the market value of the interest is to the market value of the buyer's beneficial share in the interest as determined in accordance with sub-paragraph (4) or (5).

(4) Where the buyer is beneficially entitled as a tenant in common, the market value of the buyer's beneficial share is equal to—

Figure 6 where $MV \times PI$

MV is the market value of the major interest, and
PI is—

- (a) the percentage of the interest to which the buyer is entitled, or
- (b) where—
 - (i) the buyer and the buyer's spouse or civil partner are living together on the effective date of the transaction (for the meaning of "*living together*", see paragraph 25(3)), and
 - (ii) taken together the buyer and the buyer's spouse or civil partner are entitled as tenants in common,

the percentage of the interest to which the buyer and the buyer's spouse or civil partner are so entitled. (5)Where the buyer is beneficially entitled as a joint tenant, the market value of the buyer's beneficial share is equal to— $\frac{MV}{JT}$ Figure 7 where— MV is the market value of the major interest, and JT is the number of joint tenants entitled to the interest. (6)For the purpose of sub-paragraph (5), the buyer and the buyer's spouse or civil partner are to be treated as one joint tenant if— (a)they are living together on the effective date of the transaction (for the meaning of “<i>living together</i>”, see paragraph 25(3)), and (b)they are beneficially entitled as joint tenants to the interest. (7)This paragraph applies subject to the exceptions provided for in— (a)paragraph 16 (interest in same main residence exception), (b)paragraph 17 (replacement of main residence exception), and (c)paragraph 18A (subsequent disposal to local authorities exception). <u>Persons who do not count as buyers for certain purposes</u> <u>15A(1) Sub-paragraph (2) applies where -</u> <u>(a) there are two or more buyers in a chargeable transaction, all of whom are individuals, and</u> <u>(b) at least one of the buyers in the transaction, but not all of them, is also the seller (“the existing owner”).</u> <u>(2) Any existing owner is not to be treated as a buyer for the purposes of paragraphs 11, 12, 13, 15 and 17.</u>	
PART 4 BUYER IS NOT AN INDIVIDUAL <i>Two or more buyers</i> 22 Where there are two or more buyers in a transaction, the transaction is a higher rates residential property transaction if paragraph 20 or 21 applies in relation to any one of the buyers. <u>Persons who do not count as buyers for certain purposes</u>	Section 12(4)

<u>22A(1) Sub-paragraph (2) applies where —</u> <u>(a) there are two or more buyers in a chargeable transaction,</u> <u>(b) at least one of the buyers in the transaction, but not all of them, is also the seller (“the existing owner”),</u> <u>(c) the existing owner is not an individual, and</u> <u>(d) all of the buyers in the transaction other than the existing owner are individuals.</u> <u>(2) Any existing owner is not to be treated as a buyer for the purposes of -</u> <u>(a) paragraphs 3, 5, 6 and 8 (individual buyers: single dwelling transactions);</u> <u>(b) paragraphs 11, 12, 13, 15 and 17 (individual buyers: multiple dwelling transactions);</u> <u>(c) paragraphs 20 and 21 (buyer not an individual).”</u>	
SCHEDULE 6 LEASES PART 2 DURATION OF LEASE AND TREATMENT OF OVERLAPPING LEASES <i>Rent for overlap period in case of grant of further lease</i> 7 (1) This paragraph applies where— (a) the tenant under a lease (“the old lease”) surrenders it to the landlord and in consideration of that surrender the landlord grants a lease to the tenant of the same or substantially the same premises (“the new lease”), (b) the tenant under a lease (“the old lease”) of premises to which Part 2 of the Landlord and Tenant Act 1954 (c. 56) (security of tenure for business, professional and other tenants) applies, makes a request for a new tenancy (“the new lease”) which is then executed, (c) on termination of a lease (“the head lease”) a sub-tenant is granted a lease (“the new lease”) of the same or substantially the same premises as those comprised in the sub-tenant's original lease (“the old lease”) in pursuance of— (i) an order of a court on a claim for relief against re-entry or forfeiture, or	Section 13(2)(a)

(ii) a contractual entitlement arising in the event of the head lease being terminated, or (d) a person who has guaranteed the obligations of a tenant under a lease that has been terminated (“the old lease”) is granted a lease of the same or substantially the same premises (“the new lease”) in pursuance of the guarantee. (2) For the purposes of this Act, the rent payable under the new lease in respect of any period falling within the overlap period is treated as reduced by the amount of the taxable rent that would have been payable in respect of that period under the old lease (but it cannot be treated as being reduced to a negative amount). (3) For the purposes of sub-paragraph (2)— (a) the “overlap period” is the period between the date of the grant of the new lease and what would have been the end of the term of the old lease had it not been terminated; (b) rent is “taxable” if or to the extent that it is taken into account in determining the tax chargeable in respect of the acquisition of the old lease. <u>(4) Sub-paragraph (5) applies if the new lease is granted by a trustee of a bare trust (within the meaning given by paragraphs 2(1) and (2) of Schedule 8) acting on behalf of the beneficiary of the interest surrendered by the tenant under the old lease.</u> <u>(5) The beneficiary of the bare trust (rather than the trustee) is to be treated as the landlord for the purposes of this paragraph.</u> <u>(6) Paragraphs 3(3) and (4) of Schedule 8 (trustees to be treated as the buyer or seller) have effect subject to this paragraph.</u>	
PART 3 RENT AND OTHER CONSIDERATION <i>Surrender of existing lease in return for new lease</i> 17 (1) Where a lease is granted in consideration of the surrender of an existing lease between the same parties— (a) the grant of the new lease does not count as chargeable consideration for the surrender, and (b) the surrender does not count as chargeable consideration for the grant of the new lease. (2) Paragraph 5 (exchanges) of Schedule 4 (chargeable consideration) does not apply in such a case.	Section 13(2)(b)

<u>(3) Parties are not to be treated as different for the purposes of sub-paragraph (1) if—</u> <u>(a) the parties with the beneficial rights and interests in the leases granted and surrendered are the same, and</u> <u>(b) any difference between the parties arises from the involvement of a trustee of a bare trust (within the meaning given by paragraphs 2(1) and (2) of Schedule 8) in respect of which one of those parties is a beneficiary.</u> <u>(4) Paragraphs 3(3) and (4) of Schedule 8 (trustees to be treated as the buyer or seller) have effect subject to sub-paragraph (3).</u>	
SCHEDULE 9 SALE AND LEASEBACK RELIEF <i>Qualifying conditions</i> 3(1)The qualifying conditions are— (a)that the sale transaction is entered into wholly or partly in consideration of the leaseback transaction being entered into, (b)that the only other consideration (if any) for the sale is the payment of money (whether in sterling or another currency) or the assumption, satisfaction or release of a debt (or both), (c)that the sale is not a transfer of rights within the meaning of section 12 (contract providing for transfer to third party: effect of transfer of rights) or a pre-completion transaction within the meaning of Schedule 2 (pre-completion transactions), and (d)where A and B are both bodies corporate at the effective date of the leaseback transaction, that they are not members of the same group for the purposes of group relief (see Schedule 16) at that date. (2)In sub-paragraph (1)(b), “debt” means an obligation, whether certain or contingent, to pay a sum of money either immediately or at a future date. <u><i>Leaseback by a trustee of a bare trust</i></u> <u>4 (1) This paragraph applies if the leaseback element of a sale and leaseback arrangement is granted by a trustee of a bare trust (within the meaning given by paragraphs 2(1) and (2) of Schedule 8) acting on behalf of the beneficiary of the interest transferred or granted in the sale.</u> <u>(2) The beneficiary of the bare trust (rather than the trustee) is to be treated as B for the purposes of this Schedule.</u> <u>(3) Paragraphs 3(3) and (4) of Schedule 8 (trustees to be treated as the buyer or seller) have effect subject to this paragraph.</u>	Section 13(3)

Landfill Disposals Tax (Wales) Act 2017	Amended by
CHAPTER 2 TAXABLE DISPOSALS 8 Landfill site activities to be treated as taxable disposals (1) The carrying out of a specified landfill site activity in Wales is to be treated as a taxable disposal of the material in relation to which the activity is carried out (whether or not the conditions in section 3 are met). (2) The taxable disposal is to be treated as being made when the specified landfill site activity is first carried out in relation to the material. (3) The following are specified landfill site activities when carried out at an authorised landfill site— (a) using material to create or maintain a temporary road giving access to a landfill disposal area; (b) using material to create or maintain a temporary hard standing; (c) using material to create or maintain a cell bund; (d) using material (other than naturally occurring material extracted from the site) to create or maintain a temporary screening bund; (e) using material to cover a landfill disposal area during a temporary cessation in landfill disposals; (f) placing material in a landfill disposal area to provide a base for, or prevent damage to, anything used to line, cap or drain that area; <u>(fa) using material in a landfill cell, except—</u> <u>(i) material that forms a layer immediately above the base of the cell and performs the function of drainage;</u> <u>(ii) a pipe, pump or associated infrastructure inserted into the cell for the purposes of the extraction or control of surplus liquid or gas from or within that cell;</u> (g) keeping material in a non-disposal area beyond the end of the maximum period specified in the notice designating the area under section 55, unless the material is dealt with in accordance with an agreement under section 56(4)(a); (h) storing ashes (for example, fly ash and bottom ash); (i) using material in restoration work. (4) In subsection (3)—	Section 14(2)

“cell bund” (“<i>bwnd cell</i>”) means a structure within a landfill disposal area which separates quantities of material deposited in that area; “hard standing” (“<i>arwyneb solet</i>”) means a base on which a landfill site activity is carried out; <u>“impermeable layer” (“<i>haen anhydraidd</i>”) means the geological barrier, whether formed of a single mineral layer or such mineral layer combined with an artificial sealing liner or cap, located at the external facing perimeter of a landfill cell, that has the function of preventing the escape of liquids or gases from the landfill cell;</u> <u>“landfill cell” (“<i>cell dirllenwi</i>”) means a unit or structure within an authorised landfill site formed of an impermeable layer at its base and sides and, save where the cell only contains inert material, at the top of the unit or structure;</u> “restoration work” (“<i>gwaith adfer</i>”) means work carried out to restore an authorised landfill site (or any part of the site) to a use other than making landfill disposals; but [F1where a landfill disposal area is capped, work carried out to restore that area] is restoration work only if it is carried out after the area has been capped; “screening bund” (“<i>bwnd sgrinio</i>”) means a structure, whether above or below ground, for protecting or concealing a landfill site activity or reducing noise. (5) Regulations may— (a) provide that a landfill site activity is to be a specified landfill site activity, (b) modify the description of a specified landfill site activity, or (c) provide that an activity is to cease to be a specified landfill site activity. (6) The regulations may amend this section or any other enactment relating to the tax.	
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TABLE 1

Expression	Section
Appealable decision (“ <i>penderfyniad apeladwy</i> ”)	section 172(2) and (3)

[F1] Arrangement (in relation to the general anti-avoidance rule) (“ <i>trefniant</i> ”)	[F1] section 81B(3)A]
[F1] Artificial (in relation to the general anti-avoidance rule) (“ <i>artiffisial</i> ”)	[F1] section 81C]
Business assets (“ <i>asedau busnes</i> ”)	section 111
Business documents (“ <i>dogfennau busnes</i> ”)	section 111
Business premises (“ <i>mangre busnes</i> ”)	section 111
[F1] Buyer (“ <i>prynwr</i> ”)	[F1] section 192(2)]
Carrying on a business (“ <i>rhedeg busnes</i> ”)	section 85
Charity (“ <i>elusen</i> ”)	section 85(3)
Closure notice (“ <i>hysbysiad cau</i> ”)	section 50(1) (in relation to an enquiry into a tax return) and section 75(1) (in relation to an enquiry into a claim)
<u>committee of WRA (“<i>pwyllgor o ACC</i>”)</u>	<u>section 192(2)</u>
Contract settlement (“ <i>setliad contract</i> ”)	section 192(2)
Debtor contact notice (“ <i>hysbysiad cyswllt dyledwr</i> ”)	section 93(1)
Devolved tax (“ <i>treth ddatganoledig</i> ”)	section 192(2)
[F2] “Devolved tax return” (“ <i>ffurflen treth ddatganoledig</i> ”)	section 117A(1)]
Devolved taxpayer (“ <i>trethdalwr datganoledig</i> ”)	[F3] section 81B(3)(c)]

Elected executive member (“ <i>aelod gweithredol etholedig</i> ”)	section 3(4)(c)
Enactment (“ <i>deddfiad</i> ”)	section 192(2)
Executive member (“ <i>aelod gweithredol</i> ”)	section 3(4)(b)
Filing date (“ <i>dyddiad ffeilio</i> ”)	section 40
[F1] Final counteraction notice (“ <i>hysbysiad gwrthweithio terfynol</i> ”)]	[F1] section 81G]
Financial year (“ <i>blwyddyn ariannol</i> ”)	section 192(2)
[F1] General anti-avoidance rule(“ <i>rheol gwrthweithio osgoi trethi cyffredinol</i> ”)]	[F1] section 81A(2)]
Identification notice (“ <i>hysbysiad adnabod</i> ”)	section 92(1)
Information notice (“ <i>hysbysiad gwybodaeth</i> ”)	section 83
[F4] Landfill disposals tax (“ <i>treth gwarediadau tirlenwi</i> ”)]	[F4] section 192(2)]
[F1] Land transaction (“ <i>trafodiad tir</i> ”)]	[F1] section 192(2)]
Late payment interest (“ <i>llog taliadau hwyr</i> ”)	section 157(2)
Late payment interest rate (“ <i>cyfradd llog taliadau hwyr</i> ”)	section 163(1)
Late payment interest start date (“ <i>dyddiad dechrau llog taliadau hwyr</i> ”)	sections 157(3), 159(2) and 160(2)
[F4] LDTA (“ <i>DTGT</i> ”)]	[F4] section 192(2)]

Local authority (“ <i>awdurdod lleol</i> ”)	section 192(2)
[F1] LTTA (“ <i>DTTT</i> ”)	[F1] section 192(2)]
Non-executive member (“ <i>aelod anweithredol</i> ”)	section 3(4)(a)
Notice (“ <i>hysbysiad</i> ”)	section 192(2)
Notice of enquiry (“ <i>hysbysiad ymholiad</i> ”)	section 43(1) (in relation to a tax return) and section 74(1) (in relation to a claim)
Notice of request (“ <i>hysbysiad am gais</i> ”)	section 173(1)
Partnership (“ <i>partneriaeth</i> ”)	section 192(2)
Penalty date (“ <i>dyddiad cosbi</i> ”)	section 122(2)
Potential lost revenue (“ <i>refeniw posibl a gollir</i> ”)	section 134
Premises (“ <i>mangre</i> ”)	section 111
[F2] Principal council (“ <i>prif gyngor</i> ”)	section 192(2)]
[F2] Principal council that has decided to introduce the visitor levy (“ <i>prif gyngor sydd wedi penderfynu cyflwyno’r ardoll ymwelwyr</i> ”)	section 192(3)]
[F1] Proposed counteraction notice (“ <i>hysbysiad gwrthweithio arfaethedig</i> ”)	[F1] section 81F]
Protected taxpayer information (“ <i>gwybodaeth warchodedig am drethdalwr</i> ”)	section 17(3) and (4)
Relevant official (“ <i>swyddog perthnasol</i> ”)	section 17(2)

Repayment interest (“ <i>llog ad-daliadau</i> ”)	section 161(3)
Repayment interest rate (“ <i>cyfradd llog ad-daliadau</i> ”)	section 163(2)
Repayment interest start date (“ <i>dyddiad dechrau llog ad-daliadau</i> ”)	section 161(4)
Settlement agreement (“ <i>cytundeb setlo</i> ”)	section 184(1)
[F1] Tax advantage (“ <i>mantais drethiannol</i> ”)	[F1] section 81D]
[F1] Tax avoidance arrangement (“ <i>trefniant osgoi trethi</i> ”)	[F1] section 81B]
[F5] Tax credit (“ <i>credyd treth</i> ”)	[F5] section 192(2)]
Tax period (“ <i>cyfnod treth</i> ”)	section 192(2)
Tax position (“ <i>sefyllfa dreth</i> ”)	section 84
Tax return (“ <i>ffurflen dreth</i> ”)	section 192(2)
[F2] Taxpayer (“ <i>trethdalwr</i> ”)	section 192(2)]
Taxpayer notice (“ <i>hysbysiad trethdalwr</i> ”)	section 86(1)
[F1] TCEA (“ <i>DTLIG</i> ”)	[F1] section 192(2)]
Third party notice (“ <i>hysbysiad trydydd parti</i> ”)	section 87(1)
The tribunal (“ <i>y tribiwnlys</i> ”)	section 192(2)
Unidentified third party notice (“ <i>hysbysiad trydydd parti anhysbys</i> ”)	section 89(1)

[F2] Visitor accommodation provider (“ <i>darparwr llety ymwelwyr</i> ”) and VAP (“ <i>DLIY</i> ”)	section 117A(1) (and see also section 120G)]
[F2] Visitor levy (“ <i>ardoll ymwelwyr</i> ”)	section 192(2)]
[F2] Visitor levy return (“ <i>ffurflen ardoll ymwelwyr</i> ”)	section 117A(1)]
[F1] Welsh Tax Acts (“ <i>Deddfau Trethi Cymru</i> ”)]	[F1] section 192(2)]
WRA (“ACC”)	section 2(2)
WRA assessment (“ <i>asesiad ACC</i> ”)	section 56
WRA determination (“ <i>dyfarniad ACC</i> ”)	section 52(3)
[F2] WRA-collected tax (“ <i>treth a gesglir gan ACC</i> ”)	section 192(2)].

ANNEX 4: TABLE OF DERIVATIONS

The following table is intended to provide information on the derivation of the provisions of the Taxation (Wales) Bill (“the Bill”). The table does not provide definitive or exhaustive guidance and should be read in conjunction with the Bill and with the Explanatory Notes. While care has been taken to ensure that the document is as accurate as reasonably practicable, it does not purport to be, and should not be relied on as, authoritative.

Provisions that are introductory, consequential, interpretative, transitional, concerned only with commencement or the short title, or otherwise do not make a substantive change are not included.

KEY TO ABBREVIATIONS

TCMA – Tax Collection and Management (Wales) Act 2016

LTТА – Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017

LDТА – Landfill Disposals Tax (Wales) Act 2017

Section of the Bill	Derivation	Substantive change
1	TCMA, sections 8, 10, 11, 17, 22, 192 and 193	Changes the rules governing participation in, and voting at, WRA committees and sub-committees. It permits authorised WRA staff to vote in specified circumstances, recognises committees established by WRA staff, and makes associated confidentiality, evidence and interpretation provision.
2	TCMA, sections 13, 14 and 192	Changes the arrangements for authorising and delegating WRA functions. It enables an internal authorisation to specify how a function

		may be exercised and permits certain persons to whom WRA functions are delegated to delegate those functions further, subject to restrictions.
3	TCMA, sections 18 and 20; new section 20A	Extends the circumstances in which protected information may be disclosed, including disclosure connected with council tax and non-domestic rates functions. It restricts further disclosure without WRA consent and creates an offence for unlawful further disclosure in specified circumstances.
4	TCMA, new section 44A and section 172	Enables the WRA to withhold a tax repayment arising from an amendment to a tax return while WRA enquires into the return, where the WRA has reason to believe there is a risk that the amendment does not reflect the correct tax position. The decision is appealable.
5	TCMA, section 73	Requires the WRA, when giving effect to a claim for overpaid tax, also to discharge or repay late payment interest attributable to the amount discharged or repaid and which would not have arisen had that amount never been chargeable or payable.

6	TCMA, section 73	Requires the WRA to give reasons, and information about review and appeal rights, where it decides not to give effect in full or in part to a claim or amendment for relief from excessive assessment or overpaid tax.
7	TCMA, section 100; LTТА, section 49 and Schedules 5, 11, 14, 16, 17, 18 and 21A	Extends WRA's power to issue taxpayer notices after an LTT return so that the WRA may check whether specified reliefs have been withdrawn or whether certain higher-rates refunds have become repayable following later events. It also sets the applicable time limits.
8	TCMA, sections 103, 103B, 105, 106 and 111	Enables the WRA to inspect business premises for landfill disposals tax without the occupier's agreement and without tribunal approval, either after at least seven days' notice or without notice where notification would seriously prejudice tax assessment or collection. Further amendments also clarify and strengthen the WRA's powers to inspect premises connected with suspected taxable disposals, including certain premises in England, while limiting some inspection powers to premises in Wales only.

9	TCMA, section 157	Clarifies that late payment interest is charged on the amount of tax payable following an amendment, correction or assessment, rather than on the amount originally stated in the return.
10	TCMA, section 187A	Corrects the provisions of the TCMA that apply to the Crown for land transaction tax purposes, including the application of review and appeal rights relating to information notices.
11	LTТА, Schedule 5; Schedule 14, paragraph 10	Provides that a transaction qualifying for collective-rights relief is not treated as a higher-rates residential property transaction.
12	LTТА, Schedule 5, new paragraphs 6A, 15A and 22A	Provides that, in specified transactions involving two or more buyers where an existing owner is both seller and buyer, the existing owner is disregarded as a buyer for determining whether the higher residential rates apply.
13	LTТА, Schedules 6, 8 and 9	Changes the treatment of trustees of bare trusts in specified lease transactions. It treats the beneficiary, rather than the trustee, as the relevant landlord or party where appropriate, including for overlap relief, lease surrenders and sale-and-leaseback relief.

14	LDTA, section 8	Extends the list of specified landfill-site activities to include using material in a landfill cell, subject to limited exceptions, and inserts definitions of “impermeable layer” and “landfill cell”.
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