



Ein cyf/Our ref: RE/78/2024

Huw Irranca-Davies MS
Chair of the Legislation, Justice and Constitution Committee
Senedd Cymru
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06 March 2024

Dear Huw,

On September 8 2022, the Welsh Tax Acts etc. (Power to Modify) Act 2022¹ ('the Act') received Royal Assent. The Act provides the Welsh Ministers, subject to Senedd approval, with a power to make regulations to make necessary or appropriate changes to address four specified circumstances:

- ensuring that landfill disposals tax or land transaction tax is not imposed where to do so would be incompatible with any international obligations,
- protecting against tax avoidance in relation to landfill disposals tax or land transaction tax,
- responding to a change to a predecessor tax that affects, or may affect, the amounts paid into the Welsh Consolidated Fund under section 118(1) of the Government of Wales Act 2006, and
- responding to a decision of a court or tribunal that affects, or may affect, the operation of any of the Welsh Tax Acts or regulations made under any of those Acts.

During the course of Senedd scrutiny² a number of amendments were introduced to the bill to address Committee and Senedd Members' concerns. These included:

- an obligation on the Welsh Ministers to publish a review of the Act (section 6 of the Act) by 8 September 2026 (four years after Royal Assent), and
- a sunset clause (section 7 of the Act) that comes into effect on 8 September 2027 (subject to the Senedd approving a maximum extension to 30 April 2031).

¹ [Welsh Tax Acts etc. \(Power to Modify\) Act 2022 \(legislation.gov.uk\)](https://legislation.gov.uk)

² [Welsh Tax Acts etc. \(Power to Modify\) Act 2022 \(senedd.wales\)](https://senedd.wales)

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Section 6 further provided that the review must include an assessment by the Welsh Ministers of alternative legislative mechanisms for making changes to the Welsh Tax Acts and regulations made under any of those Acts. Furthermore, the Welsh Ministers in undertaking the review must consult Senedd Cymru and such other persons as they consider appropriate.

In order for the review, including any relevant and appropriate consultation, to be completed by the statutory deadline I would like to offer the Committee the opportunity to receive a short presentation from my officials. The aim will be to consider the approach to making timeous changes to the Welsh Tax Acts etc. and hear suggestions the Committee may have as to appropriate alternative legislative mechanisms.

I am making a similar offer to the Finance Committee.

If agreeable, my officials will liaise with the Clerk to make the appropriate arrangements.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a period at the end.

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government