Jane Hutt AC / AM
Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business

Eich cyf/Your ref
Ein cyf/Our ref

Jocelyn Davies AM
Chair, Finance Committee
National Assembly for Wales
Ty Hywel
Cardiff Bay
Cardiff CF99 1NA

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Dear Jocelyn,

Thank you for your letter of 24 March, noting that the Finance Committee is undertaking a short inquiry into the collection and management of devolved taxes.

You are aware that I will make a decision on who will collect and manage devolved taxes in the coming months. This decision now will set a preferred way forward, as many of the operational processes and procedures will be decided during the process of legislating for Land Transaction Tax and Landfill Disposals Tax, which are only due to be introduced into the Assembly after the May 2016 elections. My key aims for this decision, as set out in the White Paper on devolved tax collection and management, are that there should be a smooth and orderly transition from UK to Welsh devolved taxes in April 2018. In the medium term, following the initial transition and after three to five years of operation have elapsed, I anticipate that the Welsh Government will return to the decision again on who might be best placed to collect Welsh taxes. As such, flexibility is critical.

I will be introducing the Tax Collection and Management (Wales) Bill in July, and intend to announce my decision on a preferred option for collection and management of devolved taxes prior to this. It would be helpful if the Committee's final report could be published in advance of this announcement.

Hope to meet up to discuss when we get back from recess.

Best Wishes,

Jane

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