

Mark Drakeford AM/AC
Ysgrifennydd y Cabinet dros Gyllid
Cabinet Secretary for Finance



Llywodraeth Cymru
Welsh Government

Simon Thomas AM
Chair, Finance Committee
National Assembly for Wales
Cardiff Bay
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10 July 2018

Dear Simon,

Last week, the Wales Centre for Public Policy has published its report 'The Welsh Tax Base: Risks and Opportunities after Fiscal Devolution'. This is a timely piece of work. I will set the first Welsh rates of income tax in autumn 2018 to take effect from April 2019. At that point, over £5 billion of tax revenues will be under the control of Welsh central and local government. As set out in my Tax Policy Framework, this provides the opportunity to look at these taxes collectively and consider how best we use these to meet the needs of people in Wales.

Taxes fund public services, and the report highlights the sensitivity of Welsh tax revenues to wider issues in the Welsh economy relative to the UK. I look forward to further discussions about the report's recommendations in due course.

The report is available here:

['The Welsh Tax Base: Risks and Opportunities after Fiscal Devolution'](#)

Yours sincerely,

Mark Drakeford AM/AC
Ysgrifennydd y Cabinet dros Gyllid
Cabinet Secretary for Finance

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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.