

14 October 2019

Dear Sir/Madam

## Inquiry into the Impact of variations in national and sub-national income tax - Consultation

Since April 2018, the Welsh Government has had responsibility for some of the taxes paid in Wales, including the new Welsh Rates of Income Tax (WRIT) that came into force in April 2019. In light of these new taxation powers, the [Finance Committee](#) is undertaking an inquiry into the **Impact of variations in national and sub-national income tax**. The terms of reference for the inquiry are:

- To examine the effects of sub-national income tax variations in international tax systems on the behaviour of low, medium and high income earners, particularly migration and tax avoidance.
- To understand how low, medium and high income earners may respond to income tax rate divergence for each tax band between Wales and England.
- To understand the level of divergence in income tax rates that could trigger a behavioural change in low, medium and high income earners in Wales and England.
- To assess the monetary impact on WRIT revenue with varying levels of tax rate divergence.

Further details about the inquiry can be found on the Assembly's website:

<http://www.senedd.assembly.wales/mgConsultationDisplay.aspx?id=372&RPID=1517970744&cp=yes>

### Invitation to contribute to the inquiry

The Committee welcomes evidence from those with an interest in this subject.

If you are responding on behalf of an organisation, please provide a brief description of the role of your organisation.

The National Assembly for Wales has two official languages, Welsh and English. In line with the Assembly's Official Languages Scheme, the Committee requests that documents or written responses to consultations intended for publication or use in National Assembly proceedings are submitted bilingually. When documents or written responses are not submitted bilingually, we will publish in the language submitted, stating that it has been received in that language only.



We expect other organisations to implement their own standards or schemes and to comply with their statutory obligations.

The Committee will consider responses to the inquiry and hold oral evidence sessions in early 2020.

If you wish to submit evidence, please send an electronic copy of your submission to: [seneddfinance@assembly.wales](mailto:seneddfinance@assembly.wales)

Alternatively, you can write to:

Committee Clerk  
Finance Committee  
National Assembly for Wales  
Cardiff Bay, CF99 1NA.

Submissions should arrive by **15 January 2020**. It may not be possible to take into account responses received after this date. [Guidance](#) for those providing evidence for committees is available.

We would be grateful if you could forward a copy of the letter to any individuals or organisations that might like to contribute to the inquiry. A copy of this letter has been placed on the Assembly's website with an open invitation to submit views.

#### Disclosure of Information

The Assembly's [policy on disclosure of information](#) is available, please ensure that you have considered these details carefully before submitting information to the Committee. Alternatively, a hard copy of this policy can be requested by contacting the Clerk (Bethan Davies [seneddfinance@assembly.wales](mailto:seneddfinance@assembly.wales)).

Yours faithfully,



**Llyr Gruffydd AC / AM**

Cadeirydd / Chair

