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Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
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By email: FPA.committee@parliament.scot

5 November

Dear Kenneth,

I am writing to you to provide further detail on the Scottish Government's Tax Strategy development and its purpose and objectives following the evidence I gave to the Committee on 08 October 2024.

Firstly, I would like to confirm the role of the Tax Advisory Group. This group provides strategic advice on tax policy and strategy to the Scottish Government. Whilst they do not have a role in drafting the Tax Strategy, they have discussed the Strategy's themes and actions and provided valuable insight into its development.

As I noted in my letter to the Committee on 15 July 2024, the Tax Strategy will be published as a final document alongside the draft 2025-26 Scottish Budget on 4 December 2024. As I outlined in that letter, as part of the development of the Tax Strategy, Ministers and Scottish Government officials have undertaken extensive stakeholder engagements ahead of its publication. A complete list of the stakeholders we've engaged with can be found in **Annex A**.

It is important to note that the Tax Strategy will not set out specific changes for individual tax policies, as these are decisions which should be taken as part of the annual Budget process. The Tax Strategy will instead build on the principles outlined in the 2021 Framework for Tax - Certainty, Proportionality, Convenience, Efficiency, Engagement and Effectiveness – and consider how Scottish Government implements those principles across the devolved tax system.

Our stakeholder engagement has provided us with a broad range of views for consideration—the purpose of tax, the current tax system, future reform and further powers. Due to the breadth of organisations our stakeholders represent, they do not always agree; however, we have been able to identify key asks and themes which we hope to address in the Tax Strategy. These asks focus around the need to align Scottish Government's economic and

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tax strategies, improve public information and resources on tax, increase transparency on how evidence and evaluation informs tax policy, and ensure engagement on these issues is broader, more meaningful, and more regular.

Informed by these engagements, the Strategy itself will commit to a series of actions which we will begin to implement over the remainder of the Parliament. These actions will focus on: linking the Programme for Government economic commitments with the Tax Strategy; improving evidence on the impact of tax on the economy; setting out our medium-term evidence and evaluation plans; developing a systematic framework for engagement on tax; working with the Scottish Parliament to consider improvements to the legislative process for taxes and outlining future priorities - including building on previous calls for the devolution of further tax powers.

We welcome the views of the Committee on the Tax Strategy as it continues to be developed in the lead up to its publication.

Yours sincerely,

SHONA ROBISON

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Annex A – External stakeholder list

- Addleshaw Goddard
- Ayr plc
- Association of Chartered Certified Accountants (ACCA)
- Association of Tax Technicians (ATT)
- Barclays
- Baillie Gifford
- BDO
- Brodies LLP
- Burness Paull
- Citi
- Chartered Institute of Payroll Professionals
- Chartered Institute of Taxation (CIOT)
- Child Poverty Action Group (CPAG)
- CIPFA Local Government Directors of Finance
- Confederation of British Industry Scotland (CBI)
- Convention of Scottish Local Authorities (COSLA)
- David Hume Institute
- Deloitte
- Enable
- Equality and Human Rights Budget Advisory Group
- EY (Ernst and Young)
- Federation of Small Business (FSB)
- Fraser of Allander Institute
- Glasgow Disability Alliance
- Health and Social Care Alliance Scotland
- Institute for Government
- Institute for Public Policy Reform (IPPR)
- Institute of Chartered Accountants of Scotland (ICAS)
- Institute of Directors Scotland (IoD)
- Institute of Public Policy Reform (IPPR)
- JP Morgan
- KPMG
- Law Society Scotland (LSS)
- Low Incomes Tax Reform Group (LITRG)
- Lloyds
- Oxfam Scotland
- PA Consulting
- Pinsent Masons
- Poverty and Inequality Commission
- Pricewaterhouse Cooper (PwC)
- Prosper
- Reform Scotland
- Resolution Foundation
- Revenue Scotland
- Royal Bank of Scotland
- RSM UK
- Schroders
- Sheppard and Wedderburn
- Scotland Food and Drink (SFD)
- Scottish Financial Enterprise (SFE)
- Scottish Fiscal Commission
- Scottish Land and Estates
- Scottish Property Federation
- Scottish Retail Consortium (SRC)
- Scottish Tourism Alliance (STA)
- Scottish Trades Union Congress (STUC)
- Scottish Women’s Budget Group
- SLAED Executive committee
- Scottish Government Tax Advisory Group
- UK Hospitality
- University of Edinburgh Business School
- University of Dundee
- University of Stirling
- Walter Scott & Partners

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