

# REVENUE SCOTLAND AND TAX POWERS ACT 2014

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## EXPLANATORY NOTES

### THE ACT

#### Part 2 - Revenue Scotland

#### Functions of Revenue Scotland

#### *Section 3 – Functions of Revenue Scotland*

10. Subsection (1) sets out Revenue Scotland's general function as the collection and management of the devolved taxes (devolved taxes having the meaning given by section 80A(4) of the Scotland Act 1998). By virtue of section 51(3) of the Commissioners for Revenue and Customs Act 2005, the reference to collection and management has the same meaning as references to care and management in older tax statutes. The effect of this is that jurisprudence concerning the proper bounds of the tax authority's role is imported into the devolved tax system. This jurisprudence includes not only case law from the UK jurisdictions but other English-speaking jurisdictions<sup>1</sup>.
11. Subsection (2) sets out the particular functions relating to Revenue Scotland as:
  - the provision of information, advice and assistance to the Scottish Ministers on matters concerning tax; reflecting that the Scottish Ministers will lead on devolved tax policy development and future legislation;
  - the provision of information, assistance and advice to enable taxpayers, their agents and other persons to comply with the requirements of the devolved taxes;
  - the efficient resolution of disputes on matters of tax liability or compliance, including by mediation (other forms of dispute resolution being review and appeal under Part 11 of the Act); and
  - the protection of the revenue against tax fraud (that is to say, tax evasion)<sup>2</sup> and tax avoidance. Revenue Scotland might do this through robust while proportionate compliance activity, through application of Targeted Anti-Avoidance Rules (TAARs) or through application of the General Anti-Avoidance Rule (see Part 5 of the Act).

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<sup>1</sup> The leading English case is the "Fleet Street casuals case"; *Inland Revenue v National Federation of Self-employed and Small Businesses Ltd* [1982] A.C. 617.

<sup>2</sup> Tax evasion by taxpayers or agents is a criminal offence at common law; *Strathern v Fogal* 1922 J.C. 73; *HM Advocate v Turnbull (Robert S)* 1951 J.C. 96.