



Wales Act 2014

2014 CHAPTER 29

PART 2

FINANCE

Referendum on income tax provisions

12 Referendum about commencement of income tax provisions

- (1) Her Majesty may by Order in Council cause a referendum to be held throughout Wales about whether the income tax provisions should come into force.
- (2) If the majority of the voters in a referendum held by virtue of subsection (1) vote in favour of the income tax provisions coming into force, those provisions are to come into force in accordance with section 14.
- (3) But if they do not, that does not prevent the making of a subsequent Order under subsection (1).
- (4) No recommendation is to be made to Her Majesty to make an Order under subsection (1) unless a draft of the statutory instrument containing the Order has been laid before, and approved by a resolution of, each House of Parliament and the Assembly.
- (5) But subsection (4) is not satisfied unless the resolution of the Assembly is passed on a vote in which the number of Assembly members voting in favour of it is not less than two-thirds of the total number of Assembly seats.
- (6) A draft of a statutory instrument containing an Order under subsection (1) may not be laid before either House of Parliament, or the Assembly, until the Secretary of State has undertaken such consultation as the Secretary of State considers appropriate.
- (7) For further provision about a referendum held by virtue of subsection (1), see Schedule 1.
- (8) In this section “the income tax provisions” means sections 8 and 9.

13 Proposal for referendum by Assembly

- (1) This section applies if—
 - (a) the First Minister or a Welsh Minister appointed under section 48 of GOWA 2006 moves a resolution in the Assembly that, in the Assembly’s opinion, a recommendation should be made to Her Majesty to make an Order under section 12(1), and
 - (b) the Assembly passes the resolution on a vote in which the number of Assembly members voting in favour of it is not less than two-thirds of the total number of Assembly seats.
- (2) A resolution moved under subsection (1)(a) must state whether the voting age at the proposed referendum is to be 16 or 18.
- (3) The First Minister must, as soon as practicable after the resolution is passed, ensure that notice in writing of the resolution is given to the Secretary of State.
- (4) Within the period of 180 days beginning immediately after the day on which notice under subsection (3) is received by the Secretary of State—
 - (a) the Secretary of State or the Lord President of the Council must lay a draft of a statutory instrument containing an Order under section 12(1) before each House of Parliament, or
 - (b) the Secretary of State must give notice in writing to the First Minister of the refusal to lay a draft under paragraph (a) and the reasons for that refusal.
- (5) As soon as practicable after the First Minister receives notice under subsection (4)(b)—
 - (a) the First Minister must lay a copy of the notice before the Assembly, and
 - (b) the Assembly must ensure that the notice is published.

14 Commencement of income tax provisions etc if majority in favour

- (1) This section applies where the majority of the voters in a referendum held by virtue of section 12(1) vote in favour of the income tax provisions coming into force.
- (2) The Treasury may bring sections 8 and 9 into force by order.
- (3) An order under subsection (2)—
 - (a) must appoint, in relation to each provision inserted by section 8 or 9, the day on which it comes into force;
 - (b) may provide that a provision inserted by section 8 or 9 has effect in relation to—
 - (i) a tax year appointed by the order and subsequent tax years, or
 - (ii) a financial year so appointed and subsequent financial years.
- (4) A tax year may be appointed under subsection (3)(b) in relation to a provision inserted by section 8 or 9 only if the tax year begins on or after the day appointed under subsection (3)(a) in relation to that provision.
- (5) An order under subsection (2) that brings into force section 116D of GOWA 2006 (power to set Welsh rates for Welsh taxpayers) must appoint the first tax year in relation to which a Welsh rate resolution may be made.
- (6) The Secretary of State may bring section 10 into force by order.

- (7) The Treasury may bring section 11(5), (6), (7)(a) and (8)(a) into force by order.
- (8) An order under subsection (7)—
 - (a) must appoint a day on which the amendments made by the provisions mentioned in that subsection come into force, and
 - (b) must provide that those amendments have effect in relation to a tax year appointed by the order and subsequent tax years.
- (9) The tax year appointed under subsection (8)(b)—
 - (a) must begin on or after the day appointed under subsection (8)(a), and
 - (b) must not precede the tax year appointed under subsection (5) or under section 25(5) of the Scotland Act 2012 (the first tax year for which Chapter 2 of Part 4A of the Scotland Act 1998 has effect).
- (10) An order under this section may make different provision for different purposes.