

*These notes refer to the Scotland Act 1998 (c.46)
which received Royal Assent on 19th November 1998*

SCOTLAND ACT 1998

EXPLANATORY NOTES

COMMENTARY

Part IV: the Tax Varying Power

SECTION 79: Supplemental powers to modify enactments

Purpose and Effect

This section is supplementary to the provisions of sections 73 and 74. It permits the Treasury by order to modify enactments to take account of the Scottish Parliament's tax-varying power. In particular, such an order may exclude the effect of any tax-varying resolution in relation to certain enactments, or postpone the effect of such a resolution in relation to the operation of the PAYE system. Further provision about the making of subordinate legislation is to be found in sections 112 to 115 and Schedule 7.

General

The section forms part of the set dealing with the tax-varying power of the Scottish Parliament.

Section 73 allows the Scottish Parliament to pass a resolution varying the basic rate of income tax for Scottish taxpayers by no more than 3 per cent. Section 74 makes further provisions with respect to tax-varying resolutions, and section 75 defines the term "Scottish taxpayer".

Section 76 makes provision to take account of future changes to the structure of UK income tax. Sections 77 and 78 describe the accounting arrangements where income tax is increased or decreased for Scottish taxpayers. Section 79 permits the Treasury to make consequential subordinate legislation.

Parliamentary Consideration

<i>Stage</i>	<i>Date</i>	<i>Column</i>
LC	6-Oct-98	337
LR	28-Oct-98	2053
L3	9-Nov-98	545

Details of Provisions

Subsection (1) provides that the Treasury may make an order modifying any enactment as they consider necessary or expedient to take account of the fact that the Scottish Parliament has, is to have, or has exercised its tax-varying power. "Enactment" is defined in section 126(1).

Subsection (2) provides that a Treasury order may exclude the effect of the tax-varying power in relation to certain enactments.

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Subsection (3) provides power by order to postpone temporarily the effect of a resolution in relation to the operation of PAYE.

Subsection (4) provides that orders under this section may have limited retrospective effect.

Subsection (5) sets out definitions.