

# WALES ACT 2014

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS (AND SCHEDULES)

#### **Part 2: Finance**

#### ***Section 10: Welsh taxpayers for social security or child support purposes***

114. **Section 10** inserts new section 155A into GOWA 2006 which enables the Secretary of State to deem an individual to be, or not to be, a Welsh taxpayer and to treat the Welsh basic rate, Welsh higher rate or Welsh additional rate of income tax as being a specified rate, for all or specified purposes of social security or child support.
115. **Subsection (1)** permits the Secretary of State by order to provide for individuals to be treated as if they were, or were not, Welsh taxpayers for all or specified purposes of social security or child support. The power might, for example, be used to deem a newly self-employed earner who had moved to Wales during the course of a tax year to be a Welsh taxpayer for the purpose of calculating the amount of an income-related benefit due to them.
116. **Subsection (2)** permits the Secretary of State by order to specify that the Welsh basic rate, Welsh higher rate or Welsh additional rate of income tax is to be treated as being a specified rate for all or specified purposes of social security or child support. This power might, for example, be used where a person's tax status as a potential Welsh taxpayer is not in doubt but there is a question about the amount of income that has to be taken into account in awarding benefit. This could be because the person concerned says that they are not being paid for work performed and the decision maker then has to determine the amount of net earnings to be included in the income-related benefit calculation. The power would remove uncertainty for assessment purposes and so enable claims to be settled promptly.
117. **Subsection (3)** makes clear that *subsections (1) and (2)* will apply whether or not the individuals concerned have a close connection with Wales.