

# **Scottish Aggregates Tax: Administration Regulations**

## **Business and Regulatory Impact Assessment**

# Section 1: Background, aims and options

## Purpose and intended effect

### Background

The UK Aggregates Levy (“UKAL”), which came into effect in April 2002, was introduced to ensure that the environmental impacts of aggregates extraction not already addressed by regulation were more fully reflected in prices. It applies to the commercial exploitation of primary aggregates – mostly crushed rock, gravel and sand used as aggregates in, for example, construction.

The [Scotland Act 2016](#)<sup>1</sup> provided the Scottish Parliament with the legislative competence to introduce a devolved replacement for UKAL. When introduced, Revenue Scotland, Scotland's tax authority for devolved taxes, will be responsible for the collection and management of the Scottish Aggregates Tax (“SAT”).

The [Aggregates Tax and Devolved Tax Administration \(Scotland\) Act 2024](#)<sup>2</sup> (“the Act”) received Royal Assent on 12 November 2024, and the intended introduction date of SAT is 1 April 2026. To ensure the effective introduction of SAT, secondary legislation is required to specify the administration requirements associated with the tax, alongside making required changes to the Revenue Scotland and Tax Powers Act 2014 (“RSTPA 2014”) to support the operational effectiveness of SAT.

This is a Final Business and Regulatory Impact Assessment, which is published alongside the Scottish Statutory Instrument that will bring into force the overarching SAT administration regulations.

### Objective

The purpose of these regulations is to ensure the effective introduction of SAT on 1 April 2026. These regulations will deliver the following outcomes:

- Effective administration regulations for SAT.
- Ensuring that SAT operates effectively in relation to the wider devolved taxes legislative regime, as set out in RSTPA 2014.

This assessment considers the business impacts associated with the introduction of secondary legislation setting out the SAT administration requirements for taxpayers and wider legislative changes to ensure that SAT can be introduced on 1 April 2026.

### Rationale for Government intervention

The Scottish Government’s [Framework for Tax](#)<sup>3</sup> provides the foundation from which SAT has been designed and will be delivered. The Framework ensures that decisions on tax policy are coherent and rooted in a defined set of principles and strategic objectives, rigorously appraised and developed through an established

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<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2016/11/contents/enacted>

<sup>2</sup> <https://www.legislation.gov.uk/asp/2024/14/contents>

<sup>3</sup> <https://www.gov.scot/publications/framework-tax-2021/>

policy cycle, which puts proactive engagement with stakeholders and partners at the heart of tax policy making.

The Scottish Government intends that SAT will align with wider ambitions to deliver a fair, green and growing economy; in particular, the Scottish Government's ambitions for a circular economy.

The circular economy aims to minimise our demand on primary resources and maximise the re-use, recycling and recovery of resources. [Scotland's Circular Economy and Waste Route Map to 2030](#)<sup>4</sup> sets out the importance of embedding circular construction practices to reduce resource needs, reduce waste and carbon, and encourage refurbishment and reuse. SAT will support the Scottish Government's ambitions for a circular economy, in particular the ambition to embed circular construction practices. Although SAT in and of itself will not individually deliver the Scottish Government's circular economy ambitions, it will serve as a price signal to complement other circular construction measures.

The Scottish Government commissioned research via ClimateXChange, a centre for expertise on climate change, to better understand the evidence base on the role of recycled aggregates. The research evaluates the potential role of alternatives to primary aggregates to deliver reductions in greenhouse gas emissions. It investigates the availability of alternatives to primary aggregates and analyses barriers to their uptake through literature review, data collection and stakeholder engagement. The research also includes case studies where alternatives to primary aggregates have been used in Scotland. The research report - [The role of alternatives to primary aggregates in reducing emissions from the construction sector](#)<sup>5</sup> - was published in June 2025.

SAT will also add to the fiscal powers available to the Scottish Government and increase the proportion of the Scottish Budget raised in Scotland. The devolution of this power will provide scope for SAT to evolve over time, informed by Scotland-specific data collection and increased understanding of the tax and its impacts on the aggregates industry in Scotland.

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<sup>4</sup> <https://www.gov.scot/publications/scotlands-circular-economy-waste-route-map-2030/>

<sup>5</sup> <https://www.climatexchange.org.uk/projects/the-role-of-alternatives-to-primary-aggregates-in-reducing-emissions-from-the-construction-sector/>

## Section 2: Consultation

### Development phase

Prior to public consultation on the proposed introduction of SAT regulations and related changes to wider legislation, the Scottish Government engaged an SAT expert advisory group on the proposed SAT administration regulations.

Established in January 2023, the advisory group has provided expertise informing the development of the Aggregates Tax and Devolved Taxes Administration (Scotland) Act 2024 (“the 2024 Act”) and continues to provide expertise on preparation for the implementation of SAT.

Advisory group members are drawn from a range of backgrounds, including industry representative bodies for both primary and recycled aggregate producers, aggregates consumers (including key public sector bodies), corporate stakeholders with an interest, and environmental organisations.

In particular, the SAT advisory group includes representatives from trade bodies representing the majorities of companies producing primary and recycled aggregate in Scotland. These are:

- The British Aggregates Association, a trade body for independent small and medium size quarry operators.
- The Mineral Products Association, a trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar, and industrial sand industries.
- Resource Management Association Scotland, a trade body for micro, small and medium sized resource management companies.

Revenue Scotland engagement to date has focussed on the development of the registration process and the tax return. Input has been received from representatives of the British Aggregates Association, Mineral Products Association, Chartered Institute of Taxation, Institute for Chartered Accountants of Scotland, the British Geological Survey and individual businesses. This engagement has helped Revenue Scotland develop the registration process and tax return and further engagement is planned with future SAT taxpayers in order to ensure that these processes are well understood prior to SAT being introduced on 1 April 2026.

### Within Government

The Tax Division within the Scottish Government has a network of stakeholder organisations with an interest in tax policy. Government organisations and departments with a policy interest in proposals are contacted in respect of these proposals and consultation documents are made available to these bodies.

This includes direct contact and discussion with the following during the development phase of the consultation:

- Revenue Scotland.

- Civil Law and Legal System Division.

## Business consultation

As these regulations are most relevant to businesses who will be SAT taxpayers, business engagement is a crucial component of policy development.

Businesses, who will be SAT taxpayers, were represented on the SAT advisory group through the development phase of the consultation and further engagement with businesses took place once the consultation was launched to enable a full discussion on the technical and financial implications of the proposed secondary legislation on businesses.

## Public consultation

This Impact Assessment formed part of a package issued for public consultation. This consultation sought comments on draft regulations to inform the development of the final regulations to be introduced to the Scottish Parliament.

Prior to the consultation, the Scottish Government also engaged with an SAT expert advisory group on the proposed SAT administration regulations.

Notification of the consultation was issued to a list of organisations previously identified as having an interest in SAT.

The consultation ran for an 8-week period between 24 January 2025 and 21 March 2025.

Three responses to the consultation were received from stakeholder groups. Two of the three respondents to the formal public consultation requested that their responses not be published.

Two responses were also received from the SAT advisory group members prior to the launch of the consultation. For the purposes of the analysis, the two responses from SAT advisory group members were included, and respondents were broadly categorised (see Table 1).

**Table 1: Responses received on the proposed SAT administration regulations**

Type of Organisation	Number of responses to public consultation	Number of responses from SAT expert advisory group
Primary Aggregates Industry	1	
Waste and Resource Management	1	

Tax, Accountancy or Legal	1	2

Respondents provided a range of comments on each of the draft provisions. While there is evidence of consensus in some areas, a number of unique concerns and proposed amendments were highlighted.

Where permission has been given, responses have been published in full on the Scottish Government's consultation hub, Citizen Space - [Published responses for Scottish Aggregates Tax - proposed administration regulations](#)<sup>6</sup>.

The consultation responses were analysed by officials from the Scottish Government and Revenue Scotland. This also included engagement with stakeholders separately on points raised as part of the consultation.

The material and views gathered through the consultation activities have informed the development of SAT policy in advance of 1 April 2026, which is the date on which SAT becomes operational. Key findings from the analysis are presented in the [consultation analysis report](#)<sup>7</sup>.

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<sup>6</sup> [https://consult.gov.scot/taxation-and-fiscal-sustainability/scottish-aggregates-tax-proposed-admin-regulations/consultation/published select respondent](https://consult.gov.scot/taxation-and-fiscal-sustainability/scottish-aggregates-tax-proposed-admin-regulations/consultation/published-select-respondent)

<sup>7</sup> <https://www.gov.scot/publications/scottish-aggregates-tax-proposed-administration-regulations-consultation-analysis/>

## Section 3: Options

### Sectors and groups affected

These proposals affect all persons who will be registered SAT taxpayers.

Sectors and groups directly affected can be categorised as aggregate producers, aggregate users and aggregate supply chain operators.

In 2019, the Scottish Government commissioned the British Geological Survey (BGS) to produce a survey on aggregates production in Scotland and cross-border flows - [2019 Aggregate Minerals Survey for Scotland](#)<sup>8</sup>.

The 2019 BGS survey highlighted that aggregates are extracted and sourced across Scotland. Operating quarries which produce crushed rock, or quarries where sand or gravel is extracted or landed, are found in nearly all 32 local authority areas. Around 87% of aggregate produced in Scotland is crushed rock with the remainder being sand and gravel.

A Scotland specific breakdown of aggregate production is not available. However, [research](#)<sup>9</sup> published by the Scottish Government suggests that the majority of total aggregate production in Scotland will be accounted for by the major companies. Indicative forecasts assign about 15% of UK taxable primary aggregate production to Scotland suggesting around 30 million tonnes of taxable aggregate produced in Scotland annually.

HMRC data suggests that there are about 150 UKAL taxpayers who have sites registered in Scotland. Between them these taxpayers have around 320 sites in Scotland. About 14 taxpayers have sites registered in both Scotland and the rest of the UK.

To improve the data on the Scottish aggregates sector, the Scottish Government jointly commissioned, with the UK and Welsh Governments, the BGS to undertake a new aggregates survey in 2024, based on 2023 outputs. The survey findings - [Aggregate minerals survey for Great Britain, 2023](#)<sup>10</sup> - were published in August 2025.

### Option Development

This assessment considers three possible options in relation to introducing regulations to enable SAT to go-live on 1 April 2026. The options are:

1. Do not introduce secondary legislation in advance of SAT's introduction date.

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<sup>8</sup> <https://www.gov.scot/publications/2019-aggregate-minerals-survey-scotland/pages/3/>

<sup>9</sup> <https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2020/08/evidence-review-illustrative-policy-options-scottish-aggregates-levy/documents/evidence-review-illustrative-policy-options-scottish-aggregates-levy-final-report/evidence-review-illustrative-policy-options-scottish-aggregates-levy-final-report/govscot%3Adocument/evidence-review-illustrative-policy-options-scottish-aggregates-levy-final-report.pdf>

<sup>10</sup> <https://www.gov.uk/government/publications/aggregate-minerals-survey-for-great-britain-2023>

2. Introduce secondary legislation that aligns with the RSTPA 2014 and also broadly retains the broad structure of UKAL.
3. Introduce secondary legislation that takes a fundamentally different approach to RSTPA 2014 and UKAL.

## **Option 1 - Do not introduce secondary legislation in advance of SAT's introduction date**

### **Sectors and groups affected**

Producers of commercial aggregate.

### **Benefits**

There are no perceived benefits to this option. This secondary legislation is required to ensure that SAT can be properly effective when it comes into force on its proposed introduction date of 1 April 2026.

Stakeholders have engaged with the Scottish Government and Revenue Scotland in good faith on policy development over an extended period. Therefore, not introducing this secondary legislation would result in reputational damage to both the Scottish Government and Revenue Scotland and uncertainty for the sectors and groups affected as the relevant Act without the accompanying secondary legislation would not be capable of being administered by taxpayers or Revenue Scotland alike.

The issue of tax non-compliance was raised consistently by taxpayers and other stakeholders throughout the Bill development process. Revenue Scotland require the Scottish Government to introduce this secondary legislation to enable them to seek to address the concerns raised.

### **Costs**

A lack of secondary legislation would lead to increased taxpayer uncertainty and risk as there would be, for example, no administration regulations specifying the operation of the tax. There would be costs associated with this option, including the costs of legal uncertainty of introducing a tax without a proper and effective administrative system underpinning it.

Revenue Scotland has also made significant progress in preparing for the introduction of SAT, incurring capital and resource expenditure in 2024-25 to develop IT systems and appoint new staff.

Revenue Scotland's IT development work is also nearing completion and there are contractual commitments to suppliers that must be met.

## **Option 2 - Introduce secondary legislation that aligns with the RSTPA 2014 and also broadly retains the broad structure of UKAL**

### **Sectors and groups affected**

Producers of commercial aggregate.

## Benefits

Alongside the completion of the primary legislation, secondary legislation is required to ensure that SAT can come into force on 1 April 2026.

The 2024 Act is designed within the parameters set out in the Scotland Act 2016 and its development was informed by extensive engagement with a range of expert stakeholders. Parliamentary scrutiny of the Act indicated that stakeholders broadly favour the Scottish Government aligning with the UKAL.

Retaining the core elements of the existing UK Aggregates Levy, will provide continuity and certainty for taxpayers while ensuring that the devolved tax can evolve over time to support Scottish Government specific policy objectives.

## Costs

There are about 150 UKAL taxpayers who have sites registered in Scotland. In addition, taking account of the intended cross-border arrangements for SAT, a small number of quarry operators registered for UKAL in the rest of the UK, will be liable to register for and pay SAT.

The available evidence ([Aggregate Minerals Survey 2023](#)<sup>11</sup>) suggests that small amounts of aggregate are moved to Scotland, in comparison to the sales of primary aggregates produced in Scotland. The survey details that in 2023, 1.296 million tonnes of sand and gravel, and 3.073 million tonnes of crushed rock were imported to Scotland. In comparison, the survey reports that total sales of primary aggregate produced in Scotland in 2023 were 21.7 million tonnes (comprising 4.1 million tonnes of sand and gravel and 17.6 million tonnes of crushed rock). Furthermore, it would appear that collection and middlemen transactions only account for a proportion of the overall small tonnage and revenue of aggregate imported into Scotland. The Scottish Government has undertaken a separate consultation to seek views on the taxation of cross-border movement of aggregate - [Scottish Aggregates Tax: proposed approaches to cross-border taxation](#)<sup>12</sup>. A consultation analysis report is due to be published in Autumn 2025.

Although the Scottish Government cannot quantify the number of operators, a [survey](#)<sup>13</sup> based on 2019 data indicated that around 80,000 tonnes of aggregate moved from the rest of the UK to Scotland that year. During stakeholder engagement related to the 2024 Act, some members of an expert advisory group observed that extra business administration will be an unavoidable consequence of the introduction of SAT.

The Scottish Government would expect the administration costs involved in SAT to be broadly similar to those for UKAL. More specifically, although the details of the tax

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<sup>11</sup> <https://www.gov.uk/government/publications/aggregate-minerals-survey-for-great-britain-2023>

<sup>12</sup> <https://www.gov.scot/publications/scottish-aggregates-tax-proposed-approaches-cross-border-taxation/>

<sup>13</sup> <https://www.gov.scot/publications/2019-aggregate-minerals-survey-scotland/>

return will be set out by Revenue Scotland in future and may differ from that for UKAL, the Scottish Government expects that any tax return would draw on data that taxpayers would already collect to inform their UKAL tax return.

There will inevitably be additional administration costs for businesses which require to submit returns and data for SAT and UKAL. However, although taxpayers may now have to submit an SAT return in addition to a UKAL return, taxpayers will already collect sufficient information in relation to the UKAL tax return that can be used to complete their SAT return. The Scottish Government does not anticipate significant additional administration costs arising from this and expects overall business costs to be broadly comparable to current UKAL costs.

Revenue Scotland has proactively engaged stakeholders on the SAT registration process and tax return. Feedback has been constructive and has resulted in the development of products that will provide Revenue Scotland with information that will allow them to carry out necessary administration and undertake tax risk analysis, whilst also ensuring the administration burden on SAT taxpayers is kept to a minimum.

### **Option 3 - Introduce secondary legislation that takes a fundamentally different approach to RSTPA 2014 and UKAL**

#### **Sectors and groups affected**

Producers of commercial aggregate

#### **Benefits**

This will enable the Scottish Government to take a more distinctive approach to the tax. However, the 2024 Act has been drafted in a manner that is similar to UKAL and requires to be embedded within the RSTPA 2014 framework to be operationally effective. As such there is little scope to deviate in secondary legislation from the framework that has already been set out in the Act.

#### **Costs**

There has been strong support for a close alignment between SAT and UKAL and RSTPA 2014. Taking a fundamentally different approach to UKAL or RSTPA 2014 would lead to business uncertainty and the potential for additional administrative costs. This would especially be the case for those businesses which require to submit returns and data to SAT and UKAL.

### **Regulatory And EU Alignment Impacts**

#### **Intra-UK Trade Impacts**

The Scottish Government recognises that some taxpayers will commercially exploit aggregate in Scotland and the rest of the UK and will therefore have to register for both UKAL and SAT. The [2019 Aggregate Minerals Survey for Scotland](https://www.gov.scot/publications/2019-aggregate-minerals-survey-scotland/pages/3/)<sup>14</sup> shows that

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<sup>14</sup> <https://www.gov.scot/publications/2019-aggregate-minerals-survey-scotland/pages/3/>

in 2019, approximately 2.5 million tonnes of aggregate were moved from Scotland to the rest of the UK, mainly in the form of crushed rock, while approximately 0.08 million tonnes were moved to Scotland from quarries in the rest of the UK.

Powers in relation to SAT were devolved to the Scottish Parliament in the Scotland Act 2016 and this led to the development of the 2024 Act. The United Kingdom Internal Market Act 2020 does not apply to SAT as the Act states that that United Kingdom market access principles do not apply to any legislation so far as it imposes, or relates to the imposition of, any tax, rate duty or similar charge. However, under the proposals set out in the 2024 Act, SAT is not considered likely to have any significant impact on intra-UK trade. Primary aggregate producers throughout the UK already pay UKAL and following introduction of SAT, will only pay either UKAL or SAT. There may, however, be an impact on intra-UK trade should the SAT and UKAL tax rates diverge over time.

The Scottish Government and Revenue Scotland are working with the aggregates industry, other relevant stakeholders and the UK Government to ensure that there is a smooth transition from UKAL to SAT and that the ongoing administration of SAT does not impact on intra UK trade.

## **International Trade**

The [2019 Aggregate Minerals Survey for Scotland](#)<sup>15</sup> shows that in 2019, approximately 3.7 million tonnes of aggregate was exported from Scotland to a destination outside the UK, while negligible amounts were imported to Scotland from outside the UK. Based on the provisions in the 2024 Act, SAT is not considered likely to have any impact on international trade. Imported aggregate would be subject to SAT on the same basis as domestic aggregate.

A tax credit would continue to be available for aggregate exported outside the UK, which maintains the current approach under UKAL.

## **EU Alignment**

The [Scottish Government's Environment Strategy](#)<sup>16</sup> sets out our long-term strategic ambitions and policy priorities for the environment. The Strategy supports the Scottish Government's objective to maintain or exceed EU environmental standards. One of the Strategy's outcomes, that we use and re-use resources wisely, is strongly aligned with a key objective of SAT.

## **Scottish firms' impact test**

The Scottish firms' impact test regards all firms with fewer than 50 full-time employees as being small businesses. The majority of small firms have fewer than 10 employees and guidelines state that a concerted effort should be made to consult them over policy proposals.

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<sup>15</sup> <https://www.gov.scot/publications/2019-aggregate-minerals-survey-scotland/pages/3/>

<sup>16</sup> <https://www.gov.scot/publications/environment-strategy-scotland-vision-outcomes/>

Businesses have been represented on the SAT expert advisory group through the development phase of the consultation. This includes the British Aggregates Association and Mineral Products Association who represent the interests of a significant number of organisations directly and indirectly involved in the aggregates industry.

Prior to the consultation, Scottish Government and Revenue Scotland officials engaged with numerous stakeholders on a variety of topics including the development of the tax, the tax return and registration process, cross-border taxation, the tax rate, and the proposed secondary legislation. Stakeholders included businesses involved in the production of primary aggregate, relevant representative bodies, trade bodies, environmental organisations, and tax professional bodies. This included several meetings of the expert advisory group, as well as a number of separate meetings and discussions with individuals and organisations.

Following stakeholder feedback received in the consultation on the definition of an aggregates invoice, the Scottish Government and Revenue Scotland reached out to a sample of aggregates industry businesses and bodies. Officials met with those willing to discuss further (4 separate aggregate businesses). This enabled further discussion on the technical and financial implications of the proposed changes on Scottish firms. As a result, the Scottish Government concluded that the regulations should be amended to address concerns from aggregate businesses.

On the approaches to cross-border taxation for SAT, Scottish Government and Revenue Scotland officials had numerous in-person and online meetings. In-person meetings involved visiting the head offices and sites of 6 different aggregate businesses. Officials were given the opportunity to be shown around some of these sites, which was most welcome. The location of the firms were largely businesses situated close to the border of Scotland and the rest of the UK (stakeholders have indicated that after a certain distance, it typically becomes uneconomical to supply aggregate due to transportation costs). Officials also had discussions with 3 representative/trade bodies on approaches to cross-border taxation. The Scottish Government met with tax professional bodies to discuss the planned engagement on cross-border taxation, and collaborative working with HMRC.

The Scottish Government has launched a public consultation to seek views on the options for approaching cross-border taxation for indirect transfers of aggregate - [Scottish Aggregates Tax: proposed approaches to cross-border taxation](https://www.gov.scot/publications/scottish-aggregates-tax-proposed-approaches-cross-border-taxation/)<sup>17</sup>. A consultation analysis report is due to be published in Autumn 2025.

Although policy for SAT and UKAL will be the responsibility of the Scottish Government and UK Government, respectively, both Governments will continue to work collaboratively to explore complementary approaches to cross-border taxation.

## Competition Assessment

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<sup>17</sup> <https://www.gov.scot/publications/scottish-aggregates-tax-proposed-approaches-cross-border-taxation/>

We have applied the Competition and Markets Authority Competition Filter questions and concluded that the proposals will neither directly or indirectly limit the number or range of suppliers, limit the ability of suppliers to compete or reduce suppliers' incentives to compete vigorously.

## **Consumer Assessment**

Under the provisions set out in the 2024 Act, SAT will be paid by producers of primary aggregate.

The tax is intended to encourage the use of alternatives to primary aggregate and to be effective at altering aggregates consumption it is expected that producers will pass the cost of the tax onto consumers of aggregate.

As this is consistent with the current position for UKAL, we expect that the impact on consumers will be minimal. Actual consumer costs will be dependent on the tax rate set for SAT. The Scottish Government confirmed in its [Medium-Term Financial Strategy 2025](#)<sup>18</sup> that the SAT rate for 2026-27 will align with that of the UK Aggregates Levy.

Separately, any future regulations to change SAT exemptions, credits or the tax rate may have a cost implication where the cost of the tax is passed onto customers.

## **Test run of business forms**

Those responsible for the commercial exploitation of aggregates in Scotland will be the only users of the SAT registration form and tax return. Taxpayers in Scotland, and where appropriate producers of commercial aggregate in the rest of the UK, already have systems in place to accommodate the UKAL return.

Revenue Scotland has proactively engaged stakeholders on the SAT registration process and the tax return. Engagement has taken place with 11 organisations, which included both individual business and relevant representative bodies. There were two rounds of discussions with further individual discussions with a few aggregate businesses. Feedback has been constructive and has resulted in products that will provide Revenue Scotland with information that will allow them to carry out necessary administration and undertake tax risk analysis, whilst also ensuring the administration burden on SAT taxpayers is kept to a minimum.

## **Digital Impact Test**

The collection and management of SAT will be designed to operate online, in order to maximise convenience for the taxpayer and efficiency for Revenue Scotland. Only those responsible for the commercial exploitation of aggregate will be required to register and make tax returns, the majority of whom already submit online tax returns to HMRC. The tax administration systems will be designed to take place online in accordance with Scottish Government's Digital Nation Principles.

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<sup>18</sup> <https://www.gov.scot/publications/scotlands-fiscal-outlook-scottish-governments-medium-term-financial-strategy-3/>

As with the other devolved taxes, returns are submitted to Revenue Scotland via the [Scottish Electronic Tax System](#)<sup>19</sup>. Therefore, a taxpayer will be required to log into this online portal to submit the requested information. However, in line with accessibility, Revenue Scotland offer a paper return for those unable to submit a digital return.

## Legal Aid Impact

We do not consider there to be any legal aid implications associated with these proposals.

## Enforcement, sanctions, and monitoring

Revenue Scotland will have powers in relation to the collection and management of SAT and the RSTPA 2014 provides for its general functions.

The RSTPA 2014 sets out the tax administration framework that underpins all devolved taxes in Scotland, along with the powers and duties of taxpayers and Revenue Scotland. It also outlines the investigatory powers of Revenue Scotland, the process for issuing penalties in respect of non-compliant behaviour and provisions for debt enforcement.

The SAT administration regulations will bring into force the overarching administration regulations for SAT. In advance of SAT implementation changes will also be made the following regulations:

- **The Revenue Scotland and Tax Powers Act (Record Keeping) Regulations 2015:** this makes provisions about records which must be kept in relation to the existing devolved taxes. A provision is to be added for record keeping requirements for SAT.
- **The Revenue Scotland and Tax Powers Act (Involved Third Party) Order 2015:** this makes provisions about the inspection of third parties related to taxable disposals for the purpose of Scottish Landfill Tax. A provision is to be added with regard to the inspection of third parties related to the SAT.
- **The Revenue Scotland and Tax Powers Act (Postponement of Tax Pending a Review or Appeal) Regulations 2015:** this provides that where a review or appeal under the RSTPA 2014 is in progress, an LBTT taxpayer may make an application to Revenue Scotland to postpone the payment of tax, penalty or interest. A provision is to be added that a SAT taxpayer or a taxpayer of Scottish Landfill Tax, may make an application to Revenue Scotland to postpone the payment of tax, penalty or interest, where a review or appeal under the RSTPA 2014 is in progress.
- **The Revenue Scotland and Tax Powers Act (Interest on Unpaid Tax and Interest Rates in General) Regulations 2015:** this relates to the date from which interest on unpaid tax is payable. An entry is to be added to the table in the regulations which specifies that interest is due from the filing date.

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<sup>19</sup> <https://revenue.scot/taxes/scottish-electronic-tax-system-sets>

## Section 4: Next steps and implementation

### Implementation and delivery plan

Revenue Scotland has established a programme to deliver the systems, resource, guidance and other requirements to bring SAT into force. This programme is working within schedule and includes an extensive stakeholder engagement plan in order to ensure that those who are required to interact with Revenue Scotland in relation to SAT will be well informed about their required obligations.

The secondary legislation will ensure that Revenue Scotland has the power (but is not subject to any duty) to operate the register for SAT and can undertake voluntary registration of taxpayers from 1 December 2025, in advance of SAT coming into operation on 1 April 2026.

### Post-implementation review

The Scottish Government will work with Revenue Scotland to monitor the effectiveness of these regulations. The Scottish Government's [Framework for Tax](#)<sup>20</sup> principles inform our approach to decision making, engagement and how we manage and sequence tax policy and delivery. Following the introduction of SAT, the Scottish Government will continue to take full account of the Framework's principles and objectives, which includes evaluation. The Scottish Government established an advisory group which has provided expertise to inform the development of SAT legislation, and continues to provide expertise on preparation for the implementation of SAT. Continued engagement using the expert advisory group will be used to review the operation of SAT on an ongoing basis after the tax is introduced.

### Recommendation

After careful consideration, the Scottish Government recommends the adoption of option 2, which is to introduce secondary legislation that aligns with the RSTPA 2014 and also broadly retains the fundamental structure of UKAL.

We recommend this option on the basis that it will reduce the uncertainty for current and future taxpayers and their customers and make the transition between UKAL and SAT as smooth as possible for the businesses affected.

This option also reflects feedback from stakeholder engagement through the SAT expert advisory group, and meetings with aggregate firm representatives. In addition, parliamentary scrutiny of the Act also indicated that stakeholders broadly favour the Scottish Government aligning with the UKAL.

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<sup>20</sup> <https://www.gov.scot/publications/framework-tax-2021/>

## Declaration

I have read the Business and Regulatory Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

I am also satisfied that officials have considered, as far as is possible at this time, the impact on consumers as required by the [Consumer Scotland Act 2020](#)<sup>21</sup> in completion of the Consumer Duty section of this BRIA.

Signed: Ivan McKee

Date: 17 September 2025

Minister's name: Ivan McKee

Minister's title: Minister for Public Finance

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<sup>21</sup> <https://www.legislation.gov.uk/asp/2020/11/notes/division/2/1/2/1/3>