

**2018 No. 892 (C. 70)**

**INCOME TAX**

**DEVOLUTION, WALES**

**The Wales Act 2014 (Commencement No. 2) Order 2018**

*Made* - - - -

*23rd July 2018*

The Treasury, in exercise of the powers conferred by section 14(2), (3), (5), (7) and (8) of the Wales Act 2014(a), make the following Order:

**Citation and interpretation**

1. This Order may be cited as the Wales Act 2014 (Commencement No. 2) Order 2018.
2. In this Order—
  - “GOWA 2006” means the Government of Wales Act 2006(b);
  - “ITA 2007” means the Income Tax Act 2007(c).

**Appointed days**

3. The day appointed for the coming into force of sections 8 and 9 of the Wales Act 2014 and the provisions inserted by those sections into GOWA 2006 and ITA 2007 is 24th July 2018(d).
4. The day appointed for the coming into force of section 11(5), (6), (7)(a) and (8)(a) and the amendments made to the Scotland Act 1998 by those provisions is 24th July 2018(e).

**Appointed tax years**

5. Subject to articles 6 and 8 of this Order, the provisions inserted into GOWA 2006 and ITA 2007 by sections 8 and 9 of the Wales Act 2014 have effect in relation to the tax year(f) 2019-20 and subsequent tax years.

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(a) 2014 c. 29. Section 14 of the Wales Act 2014 was amended by section 17 of the Wales Act 2017 (c. 4) to remove the requirement for there to be a referendum in advance of the devolution of a portion of income tax.

(b) 2006 c. 32.

(c) 2007 c. 3.

(d) Section 8 of the Wales Act 2014 inserts an amendment into section 116A(1) of GOWA 2006 and sections 116D to 116K into GOWA 2006. Section 9 of the Wales Act 2014 inserts an amendment into section 6 of ITA 2007 and sections 6B and 11B into ITA 2007.

(e) 1998 c. 46. Section 11 of the Wales Act 2014 amends section 80D of the Scotland Act 1998 and inserts section 80DA into the Scotland Act 1998.

(f) “Tax year” is defined by section 27 of the Wales Act 2014 to mean a year beginning on 6th April and ending on the following 5th April.

6. The tax year 2019-20 is appointed as the first tax year in relation to which a Welsh rate resolution may be made by the National Assembly for Wales under section 116D(a) of GOWA 2006 (power to set Welsh rate for Welsh taxpayers).

7. The amendments made to the Scotland Act 1998 by section 11(5), (6), (7)(a) and (8)(a) of the Wales Act 2014 have effect in relation to the tax year 2019-20 and subsequent tax years.

### **Appointed financial years**

8. Section 116K of GOWA 2006 (report by the Comptroller and Auditor General) has effect in relation to the financial year(b) ending on 31st March 2018 and subsequent financial years.

*Craig Whittaker*

*Paul Maynard*

23rd July 2018

Two of the Lords Commissioners of Her Majesty's Treasury

### **EXPLANATORY NOTE**

*(This note is not part of the Order)*

Article 3 of this Order appoints 24th July 2018 as the day on which sections 8 and 9 of the Wales Act 2014 (c. 29) (the "2014 Act") come into force. Section 8 of the 2014 Act amends section 116A(1) of the Government of Wales Act 2006 (c. 32) ("GOWA 2006") and inserts sections 116D to 116K into that Act. Section 9 of the 2014 Act amends section 6 of the Income Tax Act 2007 (c. 3) ("ITA 2007") and inserts sections 6B and 11B into that Act. These amendments give the National Assembly for Wales the power to resolve to set one or more Welsh rates of income tax for Welsh taxpayers ("a Welsh rate resolution").

Article 4 of this Order appoints 24th July 2018 as the day on which section 11(5), (6), (7)(a) and (8)(a) of the 2014 Act comes into force. Section 11 amends section 80D of the Scotland Act 1998 and inserts section 80DA into that Act. These amendments amend the definition of a Scottish taxpayer to ensure that an individual cannot be a Welsh taxpayer and a Scottish taxpayer in the same year and to make special provision for Welsh parliamentarians.

Article 5 of this Order provides that the amendments made by sections 8 and 9 of the 2014 Act have effect in relation to the tax year 2019-20 and subsequent tax years.

Article 6 of this Order appoints the tax year 2019-20 as the first tax year in respect of which a Welsh rate resolution under section 116D of Part 4A of GOWA 2006 may be made by the National Assembly for Wales.

Article 7 of this Order provides that the amendments made by section 11(5), (6), (7)(a) and (8)(a) of the 2014 Act have effect in relation to the tax year 2019-20 and subsequent tax years.

Article 8 of this Order provides that section 116K of GOWA 2006 has effect in relation to the financial year ending on 31st March 2018 and subsequent financial years.

An Impact Assessment covering this instrument was published on 10th June 2014 alongside the draft clauses and explanatory notes for the Wales Bill and is available on the website at <https://www.parliament.uk/documents/impact-assessments/IA14-12.pdf>. It remains an accurate summary of the impacts that apply to this instrument.

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(a) Section 116D was inserted by section 8 of the Wales Act 2014.

(b) "Financial year" is defined by section 27 of the Wales Act 2014 to mean the 12 months ending with 31st March.

**NOTE AS TO EARLIER COMMENCEMENT ORDERS**

*(This note is not part of the Order)*

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Provision	Date of Commencement	S.I. No.
Section 20	1st January 2017	2016/1264

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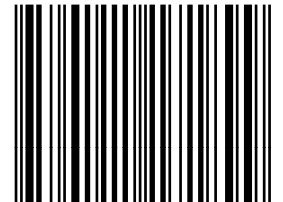
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