

PUBLICATION DOCUMENT

Taxation (Wales) Bill

Socio-economic Duty Impact Assessment

Lead department	Welsh Revenue Authority / Welsh Government
Proposal	Amendments to the Tax Collection and Management (Wales) Act 2016, Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 and Landfill Disposals Tax (Wales) Act 2017
Legislation type	Primary legislation
Policy stage	Bill introduced October 2026
Status	Completed

CONTENTS

1. Introduction.....	2
2. Policy aims and intended effects	3
What evidence has been considered to understand how the proposal contributes to inequalities of outcome experience as a result of socio-economic disadvantage?	4
What information has been gained through engagement with those affected by the proposal/decision and specifically those who suffer socio-economic disadvantage?.....	5
Have protected characteristics been considered?.....	5
Have communities of interest and communities of place been considered?	6
What information has been considered regarding future trends?	6
What data has been considered (national and local)?	7
Provide a summary of evidence and links	7
How could the proposal potentially further exacerbate inequality of outcome experienced as a result of socio-economic disadvantage?	8
Please provide detail regarding inequalities of outcome likely to be impacted and those people and communities likely to be impacted	8
How could the decision potentially improve outcomes for those who experience socio-economic disadvantage?	9
Please provide detail regarding outcomes that will be improved and for whom	9
Overall socio-economic assessment	11

Introduction

1. The proposed Taxation (Wales) Bill will introduce a series of technical amendments to the Welsh Tax Acts: the Tax Collection and Management (Wales) Act 2016 (TCMA)¹, the Landfill Disposals Tax (Wales) Act 2017 (LDTA)², and the Land Transaction Tax and Anti-avoidance of Devolved Taxes Act 2017 (LTTA)³. The proposals have been developed jointly by the Welsh Government and Welsh Revenue Authority (WRA) following eight years of experience in administering devolved taxes in Wales. The purpose of the Bill is to ensure the legislation remains clear, effective and fit for purpose, enabling the WRA to administer devolved taxes as efficiently and effectively as possible.
2. The Bill contains a package of technical and administrative changes relating to WRA governance, tax administration powers, Land Transaction Tax and Landfill Disposals Tax. The proposals seek to address areas where operational experience has identified uncertainty, improve legislative clarity, respond to stakeholder feedback, and align aspects of Welsh tax administration with wider developments elsewhere in the UK where appropriate.
3. The proposals do not introduce new taxes or significantly change existing tax liabilities. Instead, they seek to support a fair, efficient and transparent tax system that enables taxpayers and their advisers to better understand and meet their obligations. Revenue raised from devolved taxes contributes to the funding of public services across Wales, including services relied upon by those experiencing socio-economic disadvantage
4. A public consultation⁴ on the proposals was undertaken between November 2025 and January 2026. The consultation sought views from taxpayers, professional bodies, industry representatives, academics and other interested stakeholders. Respondents broadly supported the proposals and their aim of improving the operation of the Welsh Tax Acts, while highlighting the importance of appropriate safeguards, transparency and clear guidance for taxpayers.

Policy aims and intended effects

5. Since April 2018, the WRA has been responsible for collecting and managing Land Transaction Tax and Landfill Disposals Tax on behalf of Welsh Government. The proposed Tax Maintenance Bill seeks to ensure that the Welsh

¹ [Tax Collection and Management \(Wales\) Act 2016](#)

² [Landfill Disposals Tax \(Wales\) Act 2017](#)

³ [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017](#)

⁴ [Legislative proposals relating to the Welsh Tax Acts White Paper](#)

Tax Acts continue to deliver the outcomes intended by the Senedd and operate effectively in practice. The proposals have been informed by operational experience, stakeholder engagement and developments in related tax legislation elsewhere in the UK.

6. The proposals aim to improve the administration and collection of devolved taxes, provide greater certainty for taxpayers and their advisers, protect revenues that fund public services, and support wider public sector collaboration through proportionate information-sharing powers.

What evidence has been considered to understand how the proposal contributes to inequalities of outcome experience as a result of socio-economic disadvantage?

7. The evidence considered includes the White Paper consultation document, the Integrated Impact Assessment (IIA)⁵ and stakeholder responses to the consultation. The proposals are primarily technical amendments to the Tax Collection and Management (Wales) Act 2016, Land Transaction Tax and Anti-avoidance of Devolved Taxes Act 2017, and Landfill Disposals Tax Act 2017, developed following eight years of operational experience administering Welsh taxes.
8. The IIA identifies that the proposals are intended to improve clarity, fairness, efficiency and transparency in Welsh tax administration, reduce ambiguity in legislation, improve compliance, and support the effective collection of revenues that fund public services across Wales. Revenue collected through Welsh taxes contributes to the funding of services including health, education and local government services which are relied upon by communities experiencing socio-economic disadvantage.
9. The proposals have also been considered against Welsh Government tax principles, including the principle that Welsh taxes should contribute to the Well-being of Future Generations goal of creating a more equal Wales.
10. The proposals have also been assessed for their potential direct impact on people experiencing socio-economic disadvantage. Given their narrow technical and operational nature, and that they relate primarily to the administration and collection of devolved taxes rather than changes to tax rates, tax bands or eligibility for reliefs, the proposals are not expected to have a significant direct impact on inequalities of outcome arising from socio-economic disadvantage.

⁵ [Integrated impact assessment on white paper on legislative proposals relating to the Welsh Tax Acts](#)

11. The number of taxpayers directly affected by individual measures is expected to be relatively small and the changes are intended principally to improve the operation, clarity and fairness of the tax system.
12. In addition, existing safeguards within Welsh tax administration and taxpayer support mechanisms will continue to apply. These help ensure taxpayers are able to understand and meet their obligations and that decisions can be reviewed or challenged where appropriate. Consequently, the proposals are considered likely to have a neutral impact on socio-economic inequalities, while supporting the efficient and fair administration of devolved taxes.

What information has been gained through engagement with those affected by the proposal/decision and specifically those who suffer socio-economic disadvantage?

13. The White Paper consultation was undertaken between November 2025 and January 2026 and received responses from individuals, professional bodies, industry representatives and academics. Consultation responses broadly supported the proposals and highlighted the importance of legislative clarity, fairness, transparency, taxpayer safeguards and clear guidance.
14. Although engagement was not specifically targeted at people experiencing socio-economic disadvantage, consultation responses reflected the importance of ensuring that tax administration remains accessible, proportionate and clearly understood by taxpayers. The Low Incomes Tax Reform Group (LITRG), Chartered Institute of Taxation (CIOT), Institute of Chartered Accountants in England and Wales (ICAEW), Stamp Taxes Practitioners Group (STPG), along with professional bodies and taxpayers, contributed evidence and views relevant to taxpayer experience.
15. The consultation also identified the importance of safeguards around information sharing, appeals processes, transparency and ensuring taxpayers understand their rights and obligations.

Have protected characteristics been considered?

16. The Integrated Impact Assessment states that consideration has been given to individuals with protected characteristics under the Equality Act 2010. The

proposals are largely administrative and technical in nature and do not target particular groups with protected characteristics.

17. There is no evidence that the proposals would directly discriminate against individuals with protected characteristics. However, because socio-economic disadvantage often intersects with disability, age, ethnicity and other protected characteristics, the implementation of the legislation should continue to consider accessibility, communication and taxpayer support.

Have communities of interest and communities of place been considered?

18. Communities of interest considered include:

- Taxpayers.
- Low-income taxpayers.
- Property purchasers.
- Landfill operators.
- Tax agents and advisers.
- Local authorities.
- Taxpayers requiring additional support to understand and comply with their tax obligations.
- Individuals who depend on public services funded by Welsh tax revenues.

Communities of place considered include:

- Communities across Wales benefiting from public services funded through devolved taxes.
- Areas experiencing higher levels of deprivation where reliance on publicly funded services is greater.
- Local authority areas that may benefit from improved information sharing and tax administration arrangements.

What information has been considered regarding future trends?

19. The Integrated Impact Assessment identifies several relevant future trends:

- Continued fiscal devolution in Wales.
- Increasing digitalisation of tax administration.
- Expansion of WRA responsibilities, including operation of the visitor levy and visitor accommodation register.
- Increasing demand for effective use of taxpayer data to inform policy making.
- The need to keep Welsh tax legislation aligned with wider UK developments where appropriate.
- Increasing expectations for efficient public services and evidence-based policymaking.
- The proposals seek to future-proof Welsh tax legislation and support long-term sustainability of tax administration.

What data has been considered (national and local)?

20. The following evidence sources have been considered:

- Welsh Revenue Authority operational data gathered since 2018.
- Tax collection and compliance evidence relating to Land Transaction Tax and Landfill Disposals Tax.
- Stakeholder feedback from professional bodies, industry representatives and taxpayers.
- Welsh Government policy and tax principle frameworks.
- Evidence regarding public service funding supported by devolved tax revenues.
- Consultation responses and operational learning from administering Welsh taxes.

Provide a summary of evidence and links

21. The evidence indicates the proposals are technical and administrative in nature and are intended to improve the operation of Welsh tax legislation rather than introduce substantive policy changes that would directly affect socio-economic groups. The proposals are expected to improve certainty, compliance, efficiency and fairness in tax administration while supporting the collection of revenues used to fund public services in Wales.

Key documents:

- White Paper on Legislative Proposals Relating to the Welsh Tax Acts.
- Consultation Summary of Responses.

How could the proposal potentially further exacerbate inequality of outcome experienced as a result of socio-economic disadvantage?

22. Overall, the risk of exacerbating socio-economic inequalities is considered low because the proposals do not create new taxes or significantly alter tax liabilities for most taxpayers. Instead, they largely clarify existing legislation and administrative processes.

Potential risks include:

- Increased clarity around compliance and enforcement powers could have disproportionate impacts on taxpayers with limited access to professional advice or support.
- Increased information sharing may create concerns among vulnerable taxpayers if safeguards and transparency are not clearly communicated.

Please provide detail regarding inequalities of outcome likely to be impacted and those people and communities likely to be impacted

23. Groups that may be more sensitive to the impacts include:

- Low-income taxpayers.
- Individuals with lower financial capability.
- Small businesses experiencing cash flow pressures.
- Individuals without access to professional tax advice.
- People experiencing multiple forms of disadvantage.

Potential outcomes affected include:

- Financial resilience.
- Confidence in engaging with tax systems.
- Ability to comply with tax requirements.
- Access to information and support.

24. Consultation respondents generally supported the proposals but highlighted the need for proportionality, appropriate safeguards, transparency and clear guidance for taxpayers. These measures will help mitigate any unintended impacts on vulnerable groups.

How could the decision potentially improve outcomes for those who experience socio-economic disadvantage?

25. The proposals have potential positive impacts through improving tax administration and supporting the collection of revenue that funds public services relied upon by disadvantaged communities.

Specific improvements include:

- Greater certainty and clarity in tax legislation.
- Improved consistency in tax administration.
- Reduced ambiguity and compliance burdens.
- Better protection of public revenues.
- Improved data sharing to support evidence-based public policy and local authority functions.
- More effective funding of public services through improved tax collection and compliance.

26. The Integrated Impact Assessment notes that the proposals support Welsh Government tax principles and contribute to the Well-being of Future Generations goal of creating a more equal Wales.

Please provide detail regarding outcomes that will be improved and for whom

27. Potential beneficiaries include:

- Citizens who benefit from public services funded by devolved tax revenues.
- Communities experiencing socio-economic disadvantage that rely more heavily on public services.

Potential improved outcomes include:

- Fairness and consistency of tax administration.
- Public confidence in Welsh tax systems.
- Sustainability of public service funding.
- Evidence-based decision making.
- Administrative efficiency and reduced compliance burdens.

28. The consultation and Integrated Impact Assessment conclude that the proposals will improve the effectiveness of Welsh tax administration, enhance clarity and transparency, support wider public service delivery and contribute to a fairer and more efficient tax system.

29. The impact of the legislation should be monitored through existing Welsh Revenue Authority governance, operational and performance arrangements.

Monitoring could include:

- Tax collection performance.
- Compliance rates.
- Appeals and dispute data.
- Taxpayer feedback and complaints.
- Service user experience.
- Use and effectiveness of new information-sharing powers.
- Evaluation of administrative efficiencies achieved.
- Monitoring of impacts identified through future equality and socio-economic assessments.

30. Where appropriate, data should be disaggregated to identify whether unintended impacts arise for disadvantaged groups.

31. New monitoring is likely to be limited because the proposals are primarily technical and administrative. However, consideration could be given to collecting:

- Stakeholder feedback on implementation.
- Data on use of new powers introduced through the legislation.
- Information relating to taxpayer understanding and accessibility.
- Evidence of any disproportionate impacts on vulnerable taxpayers.
- Feedback from local authorities regarding information-sharing provisions.

32. The Integrated Impact Assessment notes that ongoing stakeholder engagement and continued assessment of impacts will be important to ensure the proposals remain fair, effective and aligned with Welsh Government objectives. Future legislative proposals would be accompanied by further impact assessment and regulatory scrutiny.

Overall socio-economic assessment

33. The Taxation (Wales) Bill is expected to have a neutral to modest positive impact on socio-economic inequality. The proposals are largely technical and administrative, but by improving the efficiency, fairness and effectiveness of Welsh tax administration, they support the sustainable funding of public services that are particularly important to those experiencing socio-economic disadvantage. The proposed amendments are intended to support a fair, transparent and consistent tax system. They apply equally to taxpayers within scope of the legislation and do not distinguish between individuals or groups on the basis of socio-economic status, protected characteristics or other personal circumstances. As such, no direct discriminatory impacts have been identified.