

2 May 2019

Rebecca Evans AM, Minister for Finance and Trefnydd

Jim Harra, Second Permanent Secretary, HMRC

Dear Rebecca and Jim,

**Welsh Rates of Income Tax – Welsh tax codes**

Throughout the Finance Committee's scrutiny of the implementation of the Welsh Rates of Income Tax, we have sought assurances that Welsh taxpayers will not face the problems experienced by Scottish taxpayers during their transition to the Scottish Rates of Income Tax. It is vital that businesses and taxpayers have all the information they need to minimise any disruption to taxpayers and future tax revenues.

It has been drawn to the Committee's attention that there is an issue with the transition to the Welsh Rates of Income Tax, as the tax codes of some individuals resident in Wales do not include the new 'C' prefix. The Committee would be grateful for further details including the nature and extent of the issue, whether this issue is technical or relates to identification difficulties and any impact on the collection of the Welsh Rates of Income Tax.

I look forward to your timely response.

Yours sincerely



Llyr Gruffydd AM, Chair of the Finance Committee

