

## **Senedd Finance Committee consultation: Visitor Accommodation (Register and Levy) Etc. (Wales) Bill**

### **Response by the Chartered Institute of Taxation and its Low Incomes Tax Reform Group**

#### **1. Executive Summary**

- 1.1. The Chartered Institute of Taxation (CIOT) is the leading professional body in the UK for advisers dealing with all aspects of taxation. We are a charity and our primary purpose is to promote education in taxation with a key aim of achieving a more efficient and less complex tax system for all. We draw on the experience of our 20,000 members, and extensive volunteer network, in providing our response.
- 1.2. We have closely followed and participated in the development of the Welsh visitor levy. We suggest consideration might be given to the benefits or otherwise of including the Bill's objectives in the Bill itself to ensure secondary legislation and permitted guidance does not move away from the objectives over time.
- 1.3. Simplicity should be a core consideration to support visitor accommodation providers through the implementation and administration of the levy, and when measuring the success of the policy after implementation.
- 1.4. We remain concerned about the additional administrative costs of collection and reporting the levy for businesses, although we recognise that the link to compulsory registration should help to minimise costs provided the registration/visitor levy platform is well-publicised, easy to use and intuitive. Comprehensive guidance and ease of administration will be key requirements particularly for smaller unrepresented businesses. As the Regulatory Impact Assessment recognises, the estimates for potential upfront and ongoing costs for businesses are inherently uncertain.
- 1.5. We recognise that following that first consultation on the design of the levy there has been in-depth and collaborative engagement by the Welsh government with stakeholders in developing the draft legislation including through the visitor levy working group. However, a further relatively short consultation on the draft legislation would have provided pre-legislative scrutiny of the drafting including on the consistency of terms, the definitions used and the extent to which the draft accurately translates intent into law. The CIOT's experience is that draft legislation is generally improved by technical consultation.

- 1.6. We are concerned that some key components of the definitions relating to visitor accommodation and a visitor accommodation provider are not defined in the Bill. This will give rise to uncertainty for businesses and their advisers. Clear guidance will be needed to provide certainty in particular circumstances including for mobile homes and caravan pitches and guest accommodation in hospices, care homes and similar facilities. Very clear guidance will also need to be published early since some of the provisions, for example around situations where refunds of the levy can be claimed, may need prompts to be built into the EPOS and accounting software businesses use.
- 1.7. Informal lets (for example informal lets of second homes or static caravans) appear to present challenges in terms of awareness, compliance for registration and also for collecting the levy. If this issue remains unresolved there is a danger of a high number of disputes about both registration and whether small amounts of levy are due. This would be disproportionately expensive for the owner and the WRA to operate. Furthermore, failure to monitor compliance and to be seen to enforce compliance could undermine trust in the WRA and its administration of other devolved taxes.
- 1.8. We are concerned that potentially unlimited daily penalties for failure to register may undermine trust in the system unless there is adequate publicity about who will need to register. While many people are aware of the visitor levy itself, there is far less public awareness of the compulsory registration requirement.
- 1.9. We suggest that some notification deadlines in the Bill including those for claiming a repayment of the visitor levy and filing an annual return (both 30 days) seem unreasonably short and suggest extending these and other deadlines.
- 1.10. We provide more detail on these points below.

## 2. Introduction

- 2.1. The Visitor Accommodation (Register and Levy) Etc. (Wales) Bill<sup>1</sup> has been referred to the Finance Committee for Stage 1 scrutiny of the general principles of the Bill. The Committee is considering:
  - The general principles of the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill and whether there is a need for legislation to deliver the Bill's stated policy objective, which is to:
    - ensure a more even share of costs to fund local services and infrastructure that benefit visitors between resident populations and visitors;
    - provide local authorities with the ability to generate additional revenue that can be invested back into local services and infrastructure to support tourism;
    - support the Welsh Government's ambitions for sustainable tourism.
  - Any potential barriers to the implementation of the Bill's provisions, and whether the Bill and accompanying Explanatory Memorandum and Regulatory Impact Assessment take adequate account of them.
  - Whether there are any unintended consequences arising from the Bill.
  - The Welsh Government's assessment of the financial and other impacts of the Bill as set out in Part 2 of the Explanatory Memorandum.
  - The appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Part 1: Chapter 5 of the Explanatory Memorandum).

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<sup>1</sup> <https://business.senedd.wales/mgIssueHistoryHome.aspx?Ild=44788>

- The balance between the information contained on the face of the Bill and what is left to subordinate legislation.
- Any matter related to the quality of the legislation.
- The indicative additional registration and enforcement provisions<sup>2</sup> the Welsh Government intends to bring forward at Stage 2

2.2. Our response focuses mainly on potential unintended consequences and operational matters.

### 3. Overarching principles

#### 3.1. *Objectives of the Bill*

The objectives of the Bill (as set out above at paragraph 2.1) are stated only in the Explanatory Memorandum (at paragraph 3.1.5) rather than on the face of the Bill. We suggest that consideration might be given to the benefits or otherwise of including the objectives in the Bill itself to ensure secondary legislation and permitted guidance does not move away from the objectives over time. For example, clause 12 provides for a power to make regulations to revise rates and clause 14 allows for a principal council to add a premium to the levy subject to a maximum laid down in regulations. We agree that the power to change rates in the future or set a premium allows for the levy rate to reflect national and local circumstances. However any evaluation of the use of these powers should be consistent with the objectives that underpin the levy. Retaining these objectives at the forefront of any evaluation is more likely if the objectives are in primary legislation instead of only in the Explanatory Memorandum that is not part of the Bill. Stating the objectives clearly in the Record of Proceedings during the debates will also ensure that the exact intention of legislation passed by the Senedd is recorded.

#### 3.2. *Simplicity of administration*

Simplicity should be a core consideration to support visitor accommodation providers (VAPs) through the implementation and administration of the levy, and when measuring the success of the policy after implementation. Undue administrative burdens and unclear obligations are likely to create costs for accommodation providers, local authorities that opt to implement a levy and for the WRA. Giving due weight to simplicity in administration and processes also accords with the Welsh government's principles<sup>3</sup>.

3.3. The barriers to effective implementation may be regulatory or practical; the latter will require an effective framework of legislation, comprehensive guidance, timely communication and ease of operation both for the unrepresented and for those represented by a tax agent. The Bill envisages (at clause 16) that an agent or third party may complete returns on the VAP's behalf. The platform for filing returns should allow an appointed agent to have full access to the system.

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<https://business.senedd.wales/documents/s155952/Letter%20from%20the%20Cabinet%20Secretary%20for%20Finance%20and%20Welsh%20Language%20Indicative%20Stage%202%20amendments%20that%20.pdf>

<sup>3</sup> The Welsh Government's tax principles are:

- to raise revenue to fund public services as fairly as possible
- deliver Welsh Government policy objectives, in particular supporting jobs and growth
- be clear, stable and simple
- be developed through collaboration and involvement
- contribute directly to the Well-being of Future Generations (Wales) Act 2015 goal of creating a more equal Wales.

- 3.4. We welcome the commitment to supporting local authorities in providing guidance and consistent communication including a central resource bank of visitor levy materials for local authorities to ensure consistency of approach where the levy is implemented. In terms of cost of administration, we believe it is important that individual local authorities should not have to ‘reinvent the wheel’ and perhaps should have an obligation to all use the same communication materials and visitor levy related forms.
- 3.5. We also welcome the WRA’s commitment to a digital ‘light -touch’ compulsory registration process that will then underpin the introduction of a visitor levy. We note there will also need to be a paper alternative for digitally excluded businesses unable to register and file online.
- 3.6. We remain concerned about the administrative costs of collecting and reporting the levy for VAPs and for the WRA although we recognise that the link to compulsory registration will help to minimise costs for taxpayers provided the registration/visitor levy platform is easy to use and intuitive. Paragraph 8.5.10<sup>4</sup> of the Regulatory Impact Assessment (RIA) uses MTD for Income Tax Self-Assessment as one of the indicators of the potential range of cost estimates to business, while recognising that this is not a direct comparator. We are frequently concerned that HMRC’s estimates of costs to businesses – both transitional and ongoing- are unrealistically low. As the RIA recognises the estimates for potential upfront and ongoing costs are inherently uncertain.
- 3.7. Administrative costs may be a sensitive issue as we would expect local authorities to come under pressure from local residents to impose the visitor levy to ensure a ‘fair’ distribution of costs between users of local services and facilities. Local authorities will then need to report and demonstrate that the cost of administration, compliance and collection is justified by reference to the net amount of the visitor levy raised in the individual authority area.

### 3.8. *Consultation*

In our response to the 2022 first stage formal consultation<sup>5</sup> on the design of the levy we suggested that a further technical consultation on draft legislation (before the publication of the Bill) would be essential for effective implementation. We recognise that following that first consultation there has been in-depth and collaborative engagement by the Welsh government with stakeholders in developing the draft legislation including through the visitor levy working group. However, a further relatively short consultation on the draft legislation would have provided pre-legislative scrutiny of the drafting including on the consistency of terms, the definitions used and the extent to which the draft accurately translates intent into law. The CIOT’s experience is that draft legislation is generally improved by technical consultation albeit that improvement is usually of the technical or clarificatory sort rather than fundamental change.

### 3.9. *Post implementation review*

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<sup>4</sup> Paragraph 8.5.106:

‘Several reports and research papers have been published by HMRC on the costs to businesses from MTD. The customer costs and benefits for the next phases of Making Tax Digital report highlights that the average transitional cost for businesses as a result of the extension to MTD for VAT was around £330 and an annual cost of £35 per business within scope. More recent figures for MTD for Income Tax Self-Assessment for sole traders and landlords estimated a transitional cost of £320 and an annual average ongoing cost of £110. While these figures aren’t directly comparable, they offer an indication of the potential range of cost estimates. Costs will be highly variable per provider according to their circumstances. Costs will be higher for those that: - Engage the services of a third-party such as an accountant or tax agent - Operate bespoke accounting software - Have a larger business (as this will increase the size and complexity of the return).’

<sup>5</sup> <https://www.gov.wales/visitor-levy>

We note and support the recognition that proportionate post-implementation review is required with a focus on assessing the administrative burdens on businesses and that comprehensive data is central to evaluating the effectiveness of the levy in achieving the objectives.

#### 4. Informal lettings of visitor accommodation

- 4.1. Informal lets for consideration (for example, informal lets of second homes or static caravans) appear to present challenges in terms of enforcement and compliance for registration and also for implementing and collecting the levy.
- 4.2. A ‘visitor accommodation provider’ must be registered in respect of each premises in Wales at which the provider provides, or offers to provide, visitor accommodation (Clause 5). The definition of a ‘visitor accommodation provider’ (VAP) in clause 3 is a person who in the course of a trade or business (our underlining) provides or offers to provide visitor accommodation at premises in Wales and is an occupier of the premises. A ‘business’ is not further defined in the Bill and therefore appears to take its ordinary wide meaning, that is, it is wider than a trade and potentially includes almost every commercial activity. What constitutes a ‘business’ in a particular case is a question of fact however it would appear to potentially include informal letting of visitor accommodation (as defined) for consideration. There are nuances in this area, for example, some informal lets may be argued to be on the basis of the user contributing towards ‘costs’ with the accommodation owner believing that the absence of a profit or profit motive exempts them from being a VAP. It is not clear from the Bill that informal lets which effectively subsidise the owner’s personal occupation of the property are intended to be covered and there is a high likelihood that the accommodation owner will decide that they do not need to register for the visitor levy which raises the issue of whether the registration requirements for visitor accommodation will be more comprehensive than registration for visitor levy.
- 4.3. A VAP must be registered in respect of each premises in Wales at which the visitor accommodation provider provides, or offers to provide (our underlining), visitor accommodation. The phrase ‘offers to provide’ is also not defined and requires clarification as the concept is used throughout the Bill including in relation to the commencement of leviable activities at clause 18(4) to determine the accounting period. For example, does an offer to provide require an active offer or advert? Is it intended to apply to informal letting where the ‘offer’ is made known through extended family or friendship groups, social networks or personal social media accounts rather than being formally offered via a website or booking platform?
- 4.4. If this issue remains unresolved there is a danger of a high number of disputes about both registration and whether small amounts of levy are due. This would be disproportionately expensive to operate and could undermine trust in the WRA and its administration of other devolved taxes.
- 4.5. We note the indicative additional registration and enforcement provisions<sup>6</sup> the Welsh Government intends to bring forward at stage 2. The penalty for failure to register is £300. It is imposed by the issue of a penalty notice. A VAP that is not registered within 30 days of the issue of a penalty notice incurs a further £60 daily charge for each day on which the VAP provides or ‘offers to provide’ visitor accommodation and is not registered in respect of the premises (subject to reasonable excuse and appeal provisions). If ‘offers to provide’ is interpreted to include a passive offer, the potential level of daily penalties could be regarded as

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<https://business.senedd.wales/documents/s155952/Letter%20from%20the%20Cabinet%20Secretary%20for%20Finance%20and%20Welsh%20Language%20Indicative%20Stage%20%20amendments%20that%20.pdf>

disproportionate for visitor accommodation that is informally made known to certain groups and actually let for only limited periods.

- 4.6. Although the daily penalties do not apply until 30 days after the issue of a penalty notice and only apply for periods when the VAP provides or offers to provide visitor accommodation, a daily penalty of £60 could lead to significant unlimited penalty levels in a relatively short period. There is a risk of trust in the system being undermined particularly if large penalty assessments are simply automatically issued by the system to people without prior warnings. Otherwise the first a person knows about daily penalties would be when they receive the daily penalty notice itself. Consideration might be given to providing for a maximum cumulative daily penalty or a limit on the time that the daily penalties apply (eg for one month) or a lower daily penalty.

## 5. Other operational and definitional matters

- 5.1. Key terms are defined in clauses 2 (Visitor accommodation) and clause 3 (Visitor accommodation provider). However, as we note above, essential components of these provisions are not defined in the Bill. These include what is meant by:

- an occupier,
- the term 'offers to provide'
- a business
- permanently or semi- permanently

Clear guidance will be needed to provide certainty in particular circumstances, some examples of which are considered below.

- 5.2. Mobile homes and caravans

This element of the 'visitor accommodation' definition in clause 2 is significant because as noted in the research, relative to its European counterparts, Wales has the highest proportion of bed-places in campsites or caravan sites. We suggest clarification will be needed of what is meant by 'permanent' and 'semi-permanent' in this context as this distinction appears to determine whether it is the pitch or the caravan itself that is visitor accommodation. For example, will factors such as connection to services/facilities (electricity/sewage etc.) be relevant or does the test require a day count?

### *Example 1 Touring caravan located mainly on one pitch*

A touring caravan is towed to a site each year and remains on site for use by the owner for holidays/ visits by friends and family. It is connected to mains electricity on site via a connection provided for each pitch. Occasionally it may be towed to another location for a festival/sporting event. At the end of the year, it may be placed in storage on site or towed home by the owner.

Under the definition, is this caravan semi-permanent?

If it is semi-permanent, the 'occupier' of the caravan is potentially a visitor accommodation provider within clause 3.

If it is not semi-permanent, the caravan is excluded by clause 2(b) but the pitch provided is visitor accommodation and therefore the 'occupier' of the pitch will need to register and charge the visitor levy to the caravan owner and potentially to other visitors staying in the caravan overnight.

If this is correct, there may be administrative challenges for the pitch owner in monitoring visitors staying in the caravan overnight in order to charge the levy.

*Example 2 Static caravan occasionally let out to visitors*

In the case of a static (that is 'permanent') caravan, the static caravan is visitor accommodation within clause 2(1)(d). The 'occupier' of the caravan is potentially a VAP within clause 3 if the caravan is offered as visitor accommodation for consideration within clause 3(2), for example it is informally let for consideration. The pitch owner is not a VAP in relation to the pitch (assuming all caravans are permanent/semi-permanent) or in relation to the static caravan and has no liability for visitors staying in the static caravan. Is this correct?

5.3. Guest accommodation at assisted living complexes, care homes, hospices

Clause 3 defines a VAP as a person that in the course of a trade or business provides or offers to provide visitor accommodation in Wales and is an occupier of the premises. This definition appears in principle to include guest accommodation at assisted living complexes, care homes, hospices and potentially hospitals. Is this intended?

We recognise that a 'broad base, low rate' levy is likely to be less distortionary than one with a narrow base (due to exemptions/reliefs) and higher rates. However, if the intention is not to include this type of guest accommodation, options to consider might be to exclude care or medical provision from the definition of trade or business in clause 3(2)(a) or extend the nil rate to such stays.

5.4. How is 'occupier' defined – see clauses 3(2)(c) and 9(4)(b) and the examples above where the question of who is the occupier is relevant.

5.5. Notification deadline of 30 days: Application for repayment of amount equivalent to the levy (clause 15)

We are concerned that the requirement to make a repayment application within 30 days of the end of the stay seems very short particularly in view of the likely circumstances of those people eligible to make a claim. Those who have stayed in visitor accommodation due to homelessness for example, may simply not be in a position to make a digital repayment claim online within 30 days, or to incur postage costs that outweigh the benefit of making a claim. In any case allowing a longer period seems reasonable in the defined circumstances. What is the rationale for 30 days in these circumstances? We suggest a longer period of up to twelve months would be more appropriate.

How will eligible persons be made aware that they can apply for a refund and who is responsible for making this information available to them, the VAP or the WRA?

5.6. Notification deadline of 30 days: Death, incapacity and insolvency (clause 32)

Notification is also required within 30 days by a person who takes over a visitor accommodation business in Wales when the former operator dies, becomes incapacitated or insolvent. Notification to the WRA is required before the end of 30 days of the new operator beginning to carry on the relevant business. We suggest this is too a short deadline particularly for say, an unrepresented person using AirBnB or running a small bed and breakfast etc. who is trying to maintain the running of a business in what may be very difficult personal circumstances, although we recognise there are provisions for reasonable excuse and appeal.

5.7. In relation to a bereavement we suggest consideration might be given to investigating whether the ‘Tell Us Once’ service<sup>7</sup> could be extended to cover the levy so that local councils and the WRA could be informed through that route. Currently local councils use that service to cancel Housing Benefit, Council Tax Reduction, a Blue Badge, inform council housing services and remove the person from the electoral register.

5.8. Filing visitor levy returns (Clause 16)

The filing date for an annual return is 30 April following the financial year (1 April to 31 March) to which the return relates. The deadline of 30 April seems quite onerous in relation to an annual return. We note that returns for businesses using the VAT annual accounting scheme – perhaps the closest comparator – are due 2 months after the end of the relevant year and this seems a more reasonable deadline. Many VAPs may also be dealing with implementation of MTD for income tax (from 6 April 2026 for gross income (from self-employment and property income) over £50,000 and from 6 April 2027 for gross income between £30,000 and £50,000) as well as regulatory changes (based on an indicative date of 2027 for implementation).

5.9. We note the £1,000 threshold for the option for filing an annual return, the same threshold that is in place for the annual tax-free property (and trading allowance) for income tax purposes. It will be important that the guidance for filing the annual return makes clear that the tax-free property allowance of £1,000 does not apply to exempt a VAP from the visitor levy and only applies to the option to file a return annually. We are aware that there is some misunderstanding in this area, for example the property and trading allowances do not apply for the purposes of universal credit.

5.10. The filing date for quarterly returns is 1 month after the end of the accounting period. For quarterly returns we agree this filing date is reasonable provided that the filing process is straightforward and intuitive. This is particularly relevant to the visitor levy as the nature of visitor accommodation is seasonal so quarterly returns may be required when nil or only small amounts of levy are collected. Consideration also might be given to aligning more directly with the usual deadline for quarterly MTD for VAT returns of 1 month and 7 days after the end of the relevant period that will also apply to the quarterly updates required by MTD for income tax.

5.11. We note though that discussions are underway with the UK government about the proposed VAT treatment of the levy subject to finalised proposals. As we observed in our response to the 2022 consultation, if VAT will apply to the levy it may be perceived as undermining what is intended to be a local tax for Wales as VAT revenues flow to the UK government. It would also lead to an undesirable result of a ‘tax on tax’, a feature already present for Land Transaction Tax (LTT) as any VAT chargeable on an LTT transaction constitutes chargeable consideration. We recognise that the VAT consequences are not within the control of the Welsh government, however it may affect how the levy is viewed and levels of acceptance.

5.12. The RIA considers alternatives to a visitor levy. One of the alternatives is an Accommodation Business Improvement District (ABID) as currently operated in Manchester. The RIA concludes that an ABID is not an appropriate comparator due to fundamental differences. We do not comment on this assessment however we query whether it will be theoretically possible to implement both a visitor levy and an ABID in a local authority area, as this would have consequences for visitors?

5.13. One clear benefit of the registration process is that it will generate data which is useful for other purposes. In terms of public communications, we believe it will be important to explain how the data from registration will

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<sup>7</sup> <https://www.gov.uk/after-a-death/organisations-you-need-to-contact-and-tell-us-once>



be used. For example, that it may be shared with HMRC for income/CGT purposes or the DWP for universal credit purposes.

## **6. Powers in the Bill to make subordinate legislation**

- 6.1. The powers to make subordinate legislation in the Bill are helpfully summarised at Table 5.1 of the Explanatory Memorandum. We note the commitment to consult on the content of subordinate legislation ‘where it is considered appropriate to do so’<sup>8</sup>.
- 6.2. Our starting point is that tax laws should be set out in primary legislation particularly in so far as they relate to the exercise of tax powers setting out what is subject to tax and imposing obligations, including financial penalties, on taxpayers. In our view secondary legislation should generally be reserved for administrative matters and for the setting of rates. The regulatory powers appear to fall within that latter category and therefore seem, in our view, to be generally appropriate. We note that the more rigorous draft affirmative procedure is required in cases where the regulatory power affects the defining components of the levy and exposure to penalties.
- 6.3. However the statement about consultation is vague. This statement does not indicate what consultation processes will be followed. In what circumstances will it be ‘appropriate’ to consult and with whom?

## **7. Amendments to the Tax Collection and Management (Wales) Act 2016 (Clause 21 and Schedule 1 of the Bill)**

- 7.1. The amendments to the Tax Collection and Management (Wales) Act 2016 to enable the WRA to manage and collect the visitor levy are very helpfully shown in tracked changes at Annex 3 of the Explanatory Memorandum. Some of the amendments will affect other devolved taxes more generally as well as the administration and collection of the visitor levy.
- 7.2. Paragraph 17 amending section 86 of the 2016 Act removes the requirement for tribunal approval before issuing a taxpayer notice to produce information or documentation. We note that this is in line with the equivalent legislation for SDLT (FA 2008 Sch 36 para 1). We also note that the additional safeguard has been added in that the decision to issue a notice is to be an appealable one (Paragraph 30 amending section 172(2) of the 2016 Act).
- 7.3. Paragraph 14 amending section 58 of the 2016 Act specifies what is meant by information available to the WRA when considering whether the WRA can validly issue a discovery assessment to collect unpaid tax. We note this amendment aligns with the equivalent provision for SDLT.
- 7.4. Paragraph 33 amends section 190 of the 2016 Act to provide that the address to which the WRA can send notices includes the address on the most recent return. This change provides the WRA with the choice of another address (in addition to the registered or principal office) to create a presumption that the notice has reached the taxpayer company or partnership. The guidance for completing the Land Transaction Tax return already indicates that the address included in the return is the one the WRA will use to communicate with the buyer so this change seems to reflect WRA practice.

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<sup>8</sup> Page 24 Explanatory Memorandum.

7.5. Paragraph 23 introduces new sections 120A -120F that provide a penalty point based regime for late filing of visitor levy returns. We support a 'points based' penalties approach for the visitor levy. It is a straightforward model to explain to taxpayers and it provides flexibility – a safety net for those who might understandably at times fail to meet a deadline especially with a family-run seasonal holiday business. However, independently of the penalty points system there are also penalties if the return has still not been filed 6 months and 12 months after the filing date. This is potentially confusing for people so it is important that guidance and communication are clear about the distinction, and also what people need to do to avoid penalties mounting up.

## **8. Acknowledgement of submission**

8.1. We would be grateful if you could acknowledge safe receipt of this submission, and ensure that the Chartered Institute of Taxation and its Low Incomes Tax Reform Group are included in the List of Respondents when any outcome of the consultation is published.

## **9. About us**

9.1. The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. Our comments and recommendations on tax issues are made solely in order to achieve this aim; we are a non-party-political organisation.

9.2. The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.

9.3. The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries.

9.4. Our members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.

9.5. Our stated objective for the tax systems include:

- A legislative process that translates policy intentions into statute accurately and effectively, without unintended consequences.
- Greater simplicity and clarity, so people can understand how much tax they should be paying and why.
- Greater certainty, so businesses and individuals can plan ahead with confidence.
- A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented).
- Responsive and competent tax administration, with a minimum of bureaucracy

## **10. About LITRG**

- 10.1. LITRG is an initiative of the CIOT to give a voice to the unrepresented. Since 1998, LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those who are least able to pay for professional advice. We also produce free information, primarily via our website [www.litrg.org.uk](http://www.litrg.org.uk), to help make a difference to people's understanding of the tax system.
- 10.2. LITRG works extensively with key stakeholders such as HM Revenue and Customs (HMRC) and other government departments, commenting on proposals and putting forward our own ideas for improving the tax system. LITRG also considers the welfare benefits system, and other related systems, to the extent that they interact with tax.

The Chartered Institute of Taxation

9 January 2025