



SUPPLEMENT TO THE VOTES AND PROCEEDINGS

Monday 29 June 2015

COMMITTEE OF THE WHOLE HOUSE  
PROCEEDINGS

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SCOTLAND BILL  
[SECOND DAY]

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CLAUSES 12 TO 17, SCHEDULE 1, CLAUSE 18, NEW CLAUSES RELATING TO PART 2,  
NEW SCHEDULES RELATING TO PART 2

Sir Edward Leigh

*Withdrawn* 124

Clause 12, page 14, line 14, at end insert—

“( ) The Scottish Parliament may determine the level of each threshold of income at which a Scottish taxpayer becomes liable for income tax at any of the rates set by the Scottish Parliament;”

*Clauses 12 to 14 agreed to.*

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*Clause 15 agreed to.*

Graham Stringer  
Mr Kevan Jones

*Not selected* 36

Page 19, line 18, leave out Clause 16

*Clauses 16 and 17 agreed to.*

*Schedule 1 agreed to.*

*Clause 18 agreed to.*

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*Scotland Bill, continued*

Ian Murray  
Wayne David  
Mr Douglas Carswell

*Negatived on division* NC1

To move the following Clause—

**“Independent Commission on Full Fiscal Autonomy**

- (1) The Secretary of State shall appoint a commission of between four and eleven members to conduct an analysis of the impact of full fiscal autonomy on the Scottish economy, labour market and public finances and to report by 31 March 2016.
- (2) No Member of the House of Commons or of the Scottish Parliament may be a member of the commission.
- (3) No employee of the Scottish Government or of any government Department or agency anywhere in the United Kingdom may be a member of the commission.
- (4) The Secretary of State shall appoint as members of the commission only persons who appear to the Secretary of State to hold a relevant qualification or to have relevant experience.
- (5) The Secretary of State shall not appoint as a member of the commission any person who is a member of a political party.
- (6) Before appointing any member of the commission, the Secretary of State must consult—
  - (a) the Chair of any select committee appointed by the House of Commons to consider Scottish affairs, and
  - (b) the Chair of any select committee appointed by the House of Commons to examine the expenditure, administration and policy of Her Majesty’s Treasury and its associated public bodies.
- (7) The Secretary of State may by regulations issue the commission with terms of reference and guidelines for the commission’s working methods, including an outline definition of the policy of full fiscal autonomy for the commission to analyse.
- (8) The Secretary of State must lay copies of the report of the commission before both Houses of Parliament, and must transmit a copy of the report of the commission to the presiding officer of the Scottish Parliament.
- (9) Regulations under this section must be made by statutory instrument, subject to annulment in pursuance of a resolution of either House of Parliament.”

Ian Murray  
Wayne David

*Not called* NC20

To move the following Clause—

**“Review of operation of VAT refund schemes in Scotland**

- (1) The Treasury shall, within six months of the day on which this Act is passed, publish and lay before the House of Commons a review of the application of VAT refund schemes for businesses in Scotland.
- (2) The review must include an analysis of the impact of the qualifying criteria for the VAT refund schemes—
  - (a) in Section 33 of the VAT Act 1994, and

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**Scotland Bill, *continued***

(b) for Government Departments and the NHS, on the level of VAT payable by Police Scotland and by the Scottish Fire and Rescue Service.”

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Ian Murray

*Negatived on division* NC21

To move the following Clause—

**“The Scottish Office for Budget Responsibility**

- (1) Part 2 of Schedule 5 to the Scotland Act 1998 (specific reservations) is amended as follows.
  - (2) In Section A1 (fiscal, economic and monetary policy)—
    - (a) For the heading “Exception” substitute “Exceptions”—
    - (b) After that heading, insert—

“The creation of a body corporate, called The Scottish Office for Budget Responsibility, for the independent scrutiny of Scotland’s public finances, including all tax and spending in areas for which the Scottish Government has legislative competence.””
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Mr Graham Allen

*Not called* NC23

To move the following Clause—

**“Local Discretionary Taxation**

Individual local authorities in Scotland shall have the discretion to raise additional income by levying a tax, in addition to Council Tax and Non-Domestic Rates, on either residents, occupiers, property owners or visitors in the local authority or within a discrete area of the local authority.”

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Mr Graham Allen

*Not called* NC24

To move the following Clause—

**“Tax and Economy Forum**

- (1) The Secretary of State shall appoint a Tax and Economy Forum to conduct an analysis of the impact of the changes in legislative and executive competence resulting from this Act on the economy, labour market and public finances in Scotland and in the other parts of the United Kingdom.

*Scotland Bill, continued*

- (2) The Tax and Economy Forum may make recommendations for fiscal reforms within Scotland, to be considered by the Secretary of State.”
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Mr Graham Allen

*Not called* NC25

To move the following Clause—

**“UK Commission on fiscal powers**

- (1) Within 6 months of the day on which this Act is passed, the Secretary of State shall appoint a commission to examine the deployment of fiscal powers at local, devolved and United Kingdom levels.
- (2) The commission shall comprise between 4 and 6 representatives of any of—
- (a) the Scottish Parliament,
  - (b) the National Assembly for Wales,
  - (c) the Northern Ireland Assembly,
  - (d) local government,
  - (e) the House of Commons, and
  - (f) the House of Lords.
- (3) The bodies mentioned in subsection (2) shall select their representatives in any way they see fit and the chief executive or presiding officer of each of those bodies shall inform the Secretary of State of the names of the representatives of those bodies, which may replace their representatives whenever the body concerned has determined to do so.
- (4) Subject to subsection (5), the commission may determine its own quorum and methods of working and must publish a protocol setting out its own terms of reference.
- (5) The commission shall keep the operation of fiscal powers under review, making reports and recommendations as it deems appropriate.
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Ian Murray  
Wayne David

*Not called* NC32

To move the following Clause—

**“Treasury Review of the implementation of Scottish rates of income tax**

- (1) The Treasury shall, no later than one year after the date on which this Act is passed, publish and lay before the House of Commons a review of the implementation of the Scottish basic rate and any other income tax rates for the purposes of section 11A of the Income Tax Act 2007.
- (2) The Treasury review must include—
- (a) a review of the revised fiscal framework;
  - (b) the tax year to which sections 12 and 13 of this Act will apply, and the day on which they are due to come into force;

**Scotland Bill, continued**

- (c) the number of staff assigned by the Scottish Government, Revenues Scotland and Her Majesty's Revenue and Customs, to the project implementing the Scottish basic rate, and any other rates;
- (d) a report on the identification of Scottish taxpayers who will be liable to pay the Scottish basic rate, and other rates;
- (e) the rates and bands at which the Scottish basic rate, and any other rates, have been set by the Scottish Parliament; and
- (f) a projection of the impact of the Scottish basic rate, and any other rates, on income tax revenues generated in Scotland and across the UK."

Angus Robertson  
 Mike Weir  
 Dr Eilidh Whiteford  
 Stewart Hosie  
 Michelle Thomson  
 Natalie McGarry

*Negated on division* **NC33**

To move the following Clause—

**“Full fiscal autonomy for Scotland**

- (1) The Scottish Government and the Government of the United Kingdom must enter into an agreement (the “Economic Agreement”)—
  - (a) setting out a plan for implementation of full fiscal autonomy for Scotland, and
  - (b) establishing a framework within which the two Governments are to coordinate their economic and fiscal policies in the context of full fiscal autonomy for Scotland.
- (2) Full fiscal autonomy for Scotland means that—
  - (a) the Scottish Parliament and Scottish Government have competence for determining revenues raised in or as regards Scotland through taxation and borrowing,
  - (b) the Scottish Parliament and Scottish Government have competence for determining levels of public expenditure in or as regards Scotland,
 in accordance with the amendments made by this Act.
- (3) The framework mentioned in subsection (1)(b) must in particular include arrangements for—
  - (a) facilitating fiscal coordination,
  - (b) overseeing economic cooperation,
  - (c) joint responsibilities in areas of mutual interest,
  - (d) safeguarding fiscal sustainability.
- (4) In determining the terms of the Economic Agreement the two governments must seek to ensure—
  - (a) the maintenance of monetary stability throughout the United Kingdom,
  - (b) the maintenance and promotion of the single markets in the United Kingdom and the European Union,
  - (c) that they cooperate in the exercise of their respective functions relating to the administration and collection of taxes,
  - (d) an equitable and transparent approach to consequences, resources and rewards,

*Scotland Bill, continued*

- (e) that the Scottish Parliament and the Scottish Government retain the benefits of increased tax revenues delivered by successful policies pursued by them,
  - (f) that the Scottish Parliament and the Scottish Government have the powers necessary to manage the consequences of full fiscal autonomy for Scotland,
  - (g) that full fiscal autonomy for Scotland is implemented over a period of time, as the Scottish Parliament and the Scottish Government acquire capacity to carry out their additional competences.
- (5) The Economic Agreement is to be entered into as soon as possible and the two governments must cooperate in good faith with a view to achieving that.
  - (6) As soon as possible after the Economic Agreement is entered into—
    - (a) the Scottish Ministers must lay a copy of it before the Scottish Parliament, and
    - (b) the Secretary of State must lay a copy of it before both Houses of Parliament.
  - (7) The two governments must from time to time review the Economic Agreement and make such amendments to its terms as they may agree with a view to ensuring that it continues to meet the requirements of this section.
  - (8) Subsection (6) applies to the Economic Agreement as amended as it applies to the Agreement as entered into.
  - (9) The Secretary of State may, with the agreement of the Scottish Ministers, by regulations modify this section.
  - (10) A statutory instrument containing regulations under subsection (9) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

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Angus Robertson  
 Mike Weir  
 Dr Eilidh Whiteford  
 Stewart Hosie  
 Michelle Thomson  
 Natalie McGarry

*Not selected* NC34

To move the following Clause—

**“Tax on profits of corporations etc.**

- (1) The Scotland Act 1998 is amended as follows.
- (2) In Part 4A (taxation), after Chapter 2 insert—

“CHAPTER 2A

TAX ON PROFITS OF CORPORATIONS ETC.

**80HB Tax on profits of corporations etc.**

- (1) A tax charged on the profits of companies carrying on activities in Scotland is a devolved tax.

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**Scotland Bill, *continued***

- (2) For the purposes of this section “company” means any body corporate or unincorporated association.””

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Angus Robertson  
Mike Weir  
Dr Eilidh Whiteford  
Stewart Hosie  
Michelle Thomson  
Natalie McGarry

*Not selected* **NC35**

To move the following Clause—

**“Tax on capital gains**

- (1) The Scotland Act 1998 is amended as follows.  
(2) In Part 4A (taxation), after Chapter 2A (as inserted by section (*tax on profits of corporations etc.*)) insert—

“CHAPTER 2B

TAX ON CAPITAL GAINS

**80HC Tax on capital gains**

A tax charged on the gains (or other benefits) accruing to a Scottish taxpayer on the disposal of assets is a devolved tax.””

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Angus Robertson  
Mike Weir  
Dr Eilidh Whiteford  
Stewart Hosie  
Michelle Thomson  
Natalie McGarry

*Not called* **NC51**

To move the following Clause—

**“Finance and taxation: further provision**

- (1) The Scotland Act 1998 is amended as follows.  
(2) In section 64 (Scottish consolidated fund)—  
    (a) in subsection (5), for “The Treasury may, after consulting with the Scottish Ministers” substitute “The Scottish Ministers may, after consulting with the Treasury”,  
    (b) in subsection (6), omit “, at such times and by such methods as the Treasury may from time to time determine.”.  
(3) In section 66(4) (borrowing by the Scottish Ministers), for “any other” substitute “an Act of the Scottish Parliament or an”.  
(4) In section 67(3) (lending by the Secretary of State), for “Secretary of State” substitute “Scottish Ministers”.

**Scotland Bill, *continued***

- (5) In section 67A (lending for capital expenditure)—
- (a) in subsection (2), for “Secretary of State” substitute “Scottish Ministers”,
  - (b) omit subsections (5) and (6).
- (6) In section 68(2) (borrowing by statutory bodies), omit “given with the approval of the Treasury”.
- (7) In section 72 (accounts of loans to the Scottish Ministers)—
- (a) the existing provision becomes subsection (1),
  - (b) in the closing words of that provision, after “Parliament” insert “and send copies of each to the Scottish Ministers”, and
  - (c) after that provision insert—  
“*(2) The Scottish Ministers must lay copies of the certified account and the Comptroller and Auditor General’s report before the Scottish Parliament.*”
- (8) In section 80G (supplemental powers to modify enactments), in each of subsections (1), (1A), (1B), (2), and (4), for “Treasury” substitute “Scottish Ministers”.
- (9) In Section A1 in Part 2 of Schedule 5 (fiscal, economic and monetary policy), in the Exceptions—
- (a) at the beginning insert—  
“Fiscal and economic policy in connection with anything within the legislative competence of the Scottish Parliament or the executive competence of the Scottish Government.”
  - (b) after the entry for local taxes insert—  
“Borrowing and lending by the Scottish Ministers.”
- (10) In paragraph 1 of Schedule 7 (procedure for subordinate legislation)—
- (a) in the table, in the entry for—
    - (i) section 64(5), for “Type K” substitute “Type L”,
    - (ii) section 67(3), for “Type E” substitute “Type L”,
    - (iii) section 67A(2), for “Type E” substitute “Type L”,
    - (iv) section 80B, for “Type A” substitute “Type L”,
    - (v) section 80G, for “Type E” substitute “Type L”,
  - (b) in the Notes, omit the note relating to the entry for section 80G.”
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Scotland Bill, *continued*

Angus Robertson  
Mike Weir  
Dr Eilidh Whiteford  
Stewart Hosie  
Michelle Thomson  
Natalie McGarry

*Negatived on division* NC54

To move the following Clause—

**“Taxes on income**

In Section A1 in Part 2 of Schedule 5 (fiscal, economic and monetary policy) to the 1998 Act, in the Exceptions, after the entry for local taxes insert “Taxes on income.””

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