

Poverty & Inequality Commission

Tax Working Group

Wednesday 11 January 2023

09:30-11:00

Virtual meeting by MS Teams

Attending

Shona Stephen, Commissioner, Poverty & Inequality Commission (Working group chair)

Alex Cobham, Commissioner, Poverty & Inequality Commission

Sasha Saben Callaghan, PIC Experts by Experience Panel member

PM, PIC Experts by Experience Panel member

Professor Mike Danson, Heriot-Watt University

Joanne Walker, Low Incomes Tax Reform Group

Rory Morrison, PIC Secretariat

Apologies

Bill Scott, Chair, Poverty & Inequality Commission

1. Welcome and apologies

Group members were welcomed to the meeting, Bill Scott's apologies were noted.

2. Update on actions from previous meeting & timetable review

The group reviewed the actions from the previous meeting and were content with the project timetable.

3. Further consideration of framing questions & approach to gathering evidence

The group considered the three remaining framing questions, the current understanding of group members in response to them, and the ways that further evidence could be gathered.

Framing questions 2,3 and 4

- 2. How could existing taxes be made more progressive in order to reduce poverty and inequality?**

- 3. What opportunities are there to raise additional revenue through existing or new taxation in order to reduce poverty and inequality?**
- 4. How can the representation aspect of taxation be promoted and understood, as a way of reducing inequality?**

The group agreed that, as with the first framing question discussed last month, it should focus on overall system progressivity as much as possible. In addition the group also agreed that recommendations need to be considerate of how revenue raised from taxation is spent – as it would be possible to make the taxation system more progressive overall in itself, but still not result in the reduction of poverty. The importance of better understanding the cumulative impact of the various forms of taxation in operation in Scotland was emphasised.

The group considered that it was important to look at questions over how the tax system works in practice and issues of tax compliance, which has the potential to be efficient in terms of return on investment. Group members also shared their views on the evidence around higher marginal tax rates and land taxation.

The group considered possible research arising from the discussion that may usefully add to the evidence on these issues in Scotland, including research on tax compliance in Scotland, survey work on tax representation, and analysis of overall tax progressivity.

4. Publishing the working group on the PIC website

The group agreed to publish minutes of working group meetings on the Poverty and Inequality Commission website on an ongoing basis.

5. Any other business

The group discussed what a “call for evidence” to invite submissions of further evidence from organisations and individuals should look like. The group agreed to have a flexible call for evidence published on the Commission’s website that could be modified over time as the group’s work progressed and new questions arose.