

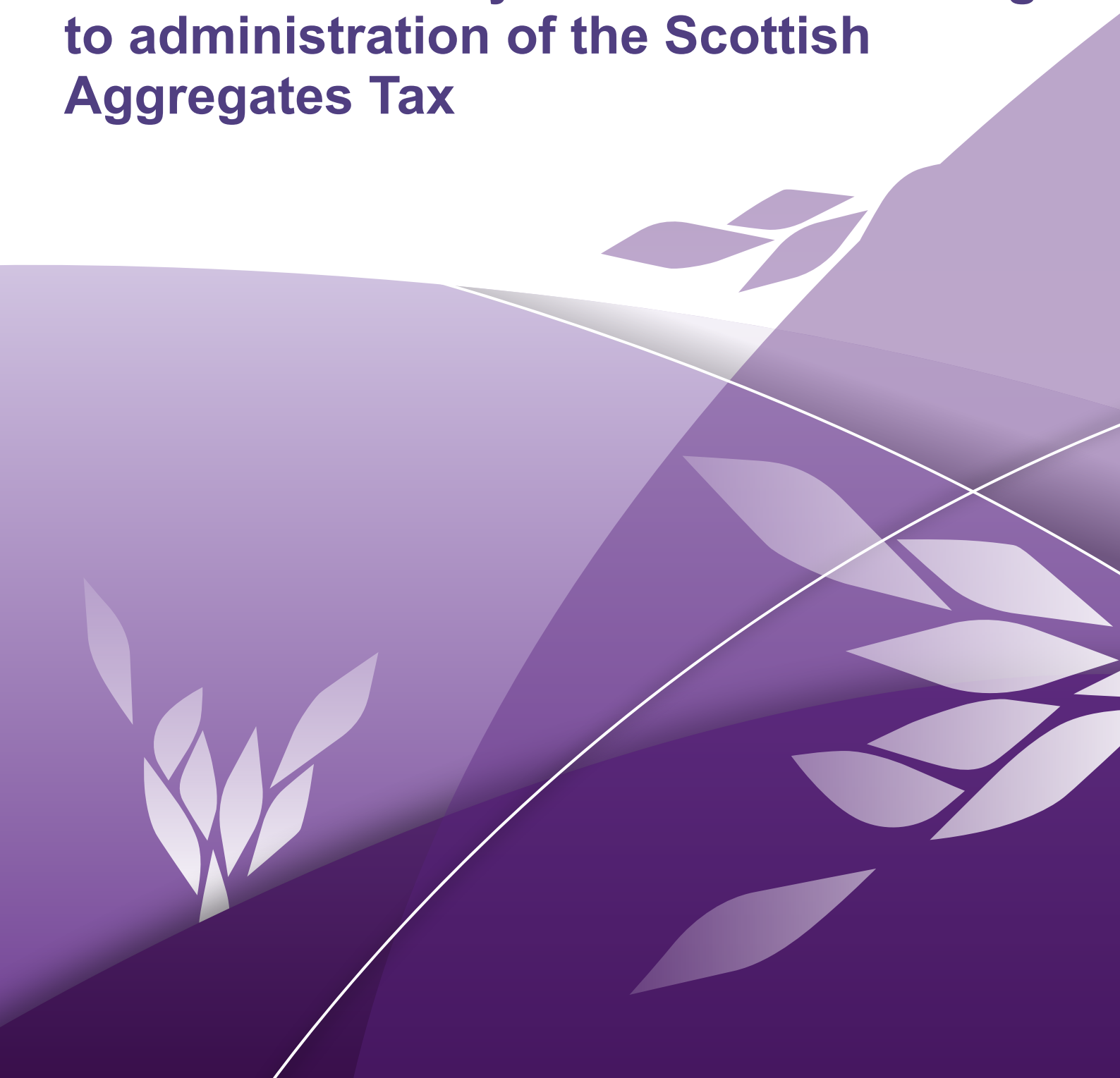


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Finance and Public Administration Committee

Scottish Statutory Instruments relating to administration of the Scottish Aggregates Tax



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Finance and Public Administration Committee

To consider and report on the following (and any additional matter added under Rule 6.1.5A)—

(a) any report or other document containing proposals for, or budgets of, public revenue or expenditure or proposals for the making of a Scottish rate resolution, taking into account any report or recommendations concerning such documents made by any other committee with power to consider such documents or any part of them;

(b) any report made by a committee setting out proposals concerning public revenue or expenditure;

(c) Budget Bills; and

(d) any other matter relating to or affecting the revenue or expenditure of the Scottish Administration or other monies payable into or expenditure payable out of the Scottish Consolidated Fund.

(e) matters relating to the National Performance Framework within the responsibilities of the Deputy First Minister, public service reform within the responsibility of the Cabinet Secretary for Finance and Local Government, and public administration.



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Background

1. The Finance and Public Administration Committee took evidence from the Minister for Public Finance and Scottish Government officials on 7 October 2025¹, in relation to three draft affirmative instruments regarding administration of the Scottish Aggregates Tax (SAT). The instruments were laid on 19 September 2025.

Scottish Aggregates Tax (Administration) Regulations 2025 [draft]

2. The Scottish Aggregates Tax (Administration) Regulations 2025 [draft]² make provision for the administration and assurance of the SAT.
3. The accompanying Policy Note³ explains that the instrument “will specify the administration requirements associated with the SAT, to ensure that the tax can be successfully brought into operation on 1 April 2026”. These administration requirements include commencement of the Regulations, setting the basic method for determining the weight of aggregate for the purpose of the tax, making provisions regarding exemptions, and providing for entitlement to credit in certain circumstances.

Revenue Scotland and Tax Powers Act (Postponement of Tax Pending a Review or Appeal) Amendment Regulations 2025 [draft]

4. The Revenue Scotland and Tax Powers Act (Postponement of Tax Pending a Review or Appeal) Amendment Regulations 2025 ⁴ provides that, where a review or appeal is in progress, a taxpayer may make an application to Revenue Scotland to postpone payment of tax, penalties or interest in relation to a liability for SAT or a liability for Scottish Landfill Tax.
5. The accompanying Policy Note ⁵ explains that—
 “On receipt of an application from a taxpayer to postpone payment of tax, penalties or interest in relation to a liability for Scottish Aggregates Tax or a liability for Scottish Landfill Tax while an appeal or review is in progress, Revenue Scotland may, while the review or appeal is pending, grant the application to postpone tax, penalties or interest in whole or in part and may impose in relation to the granting of the application any further conditions it considers appropriate but only if it is satisfied that there are exceptional circumstances and that these exceptional circumstances are such as to justify postponement”.
6. Where Revenue Scotland does not agree to postponement, the instrument provides the taxpayer with a right of appeal to the Scottish Tax Tribunals against that decision.

Revenue Scotland and Tax Powers Act (Record Keeping) Amendment Regulations 2025 [draft]

7. The Revenue Scotland and Tax Powers Act (Record Keeping) Amendment Regulations 2025⁶ makes provision for the records that must be preserved by registrable persons, and certain parties made exempt from registration, under the Aggregates Act.
8. The accompanying Policy Note⁷ states that the instrument sets out the transactions, the records and supporting documents that will need to be preserved to comply with section 74 of the Revenue Scotland and Tax Powers Act 2014⁸ (RSTPA 2014). This Act provides that a person who is required to make a tax return in relation to a devolved tax must keep any records that may be needed to enable the person to make a correct and complete return and preserve those records.
9. The instrument also provides that a person who is exempt from registration is obliged to keep such records as are necessary to demonstrate eligibility for that exempt status and any other records as may be specified by a notice published by Revenue Scotland.

Consultation, impact assessments and financial implications

10. A public consultation on the instruments was held between 24 January and 21 March 2025. Five responses were received.¹ A consultation analysis⁹ was published by the Scottish Government in June 2025. The document states that “the material and views gathered through the consultation activities have informed the development of SAT policy in advance of the proposed introduction date of 1 April 2026”.
11. Impact assessments carried out in relation to the instruments include a Business and Regulatory Impact Assessment¹⁰ (BRIA) which explored three options: (1) not to introduce secondary legislation in advance of the SAT’s introduction date, (2) to introduce secondary legislation that aligns with the RSTPA 2014 and also broadly retains the broad structure of the UK Aggregate Levy (UKAL), and (3) introducing a fundamentally different approach to the 2014 Act and UKAL.
12. The BRIA states that “after careful consideration, the Scottish Government recommends the adoption of option 2 ... on the basis that it will reduce the uncertainty for current and future taxpayers and their customers and make the transition between UKAL and SAT as smooth as possible for the businesses affected”. It further notes that this option reflects feedback received through engagement and parliamentary scrutiny of the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill.
13. The Policy Notes on the instruments also state that “continued engagement using the expert advisory group will be used to review the operation of SAT on an ongoing basis after the tax is introduced”.
14. Costs fall on Revenue Scotland to administer the tax and these are detailed in the Financial Memorandum¹¹ laid alongside the Bill in November 2023.

Delegated Powers and Law Reform Committee consideration

15. The Delegated Powers and Law Reform (DPLR) Committee considered the three draft instruments at its meeting on 30 September 2025. The Report on Subordinate Legislation considered by the DPLR Committee ¹² on 30 September 2025 states that it made no recommendations in relation to the instruments.

Finance and Public Administration Committee consideration

16. During evidence, the Committee heard that the SAT would come into effect on 1 April 2026, subject to approval of the instruments by the Scottish Parliament and the equivalent UK levy being disapplied.
17. The Minister also explained that the SAT expert advisory group established in January 2023 remains in place to provide advice on the Act's implementation.
18. Following evidence-taking, the Minister for Public Finance moved the following motions—
 - [S6M-19185](#) – That the Finance and Public Administration Committee recommends that the Scottish Aggregates Tax (Administration) Regulations 2025 [draft] be approved.
 - [S6M-19186](#) – That the Finance and Public Administration Committee recommends that the Revenue Scotland and Tax Powers Act (Postponement of Tax Pending a Review or Appeal) Amendment Regulations 2025 [draft] be approved.
 - [S6M-19187](#) – That the Finance and Public Administration Committee recommends that the Revenue Scotland and Tax Powers Act (Record Keeping) Amendment Regulations 2025 [draft] be approved.

Conclusion

19. Motions S6M-19185, S6M-19186, and S6M-19187 were agreed without division. The Finance and Public Administration Committee therefore recommends that the following three instruments be approved—
- the Scottish Aggregates Tax (Administration) Regulations 2025 [draft],
 - the Revenue Scotland and Tax Powers Act (Postponement of Tax Pending a Review or Appeal) Amendment Regulations 2025 [draft], and
 - the Revenue Scotland and Tax Powers Act (Record Keeping) Amendment Regulations 2025 [draft].

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- [12] Scottish Parliament. (2025). Report on Subordinate Legislation considered by the Delegated Powers and Law Reform Committee on 30 September 2025. Retrieved from <https://digitalpublications.parliament.scot/Committees/Report/DPLR/2025/9/30/050f8870-fed9-4ccb-9cca-250b9923e440#Annex-A>

- 1 Three submissions were received to the public consultation. A further two responses were received from SAT expert advisory group members.

