



HM Revenue
& Customs

Ruth Stanier
Director General, Customer Strategy & Tax Design

2C/23
100 Parliament Street
London
SW1A 2BQ

Andrew Jeffreys
Director of Welsh Treasury
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Email ruth.stanier@hmrc.gov.uk

www.gov.uk

Date 17 March 2021

Dear Andrew,

Thank you for your letter of 25 February about HMRC's data collection and compliance activity.

HMRC carries out risk-based compliance activity to ensure the accurate collection of Welsh Rates of Income Tax (WRIT) in the same way as it does for the collection of income tax from taxpayers across the UK.

We have education and support in place to encourage landlords to declare rental income. As you say, the Let Property Campaign offers one opportunity for landlords in the UK to get up to date with their tax affairs in a straightforward way.

I can confirm that we also work collaboratively with Rent Smart Wales to obtain data relating to registered and licensed landlords, and we also collect data from a wide range of other sources including tenancy deposit schemes across the UK and letting agents.

Where a comparison of data sources indicates that landlords may have under declared their rental income we contact these landlords. We let them know of the guidance, education, and support available on GOV.UK, and offer them the opportunity to come forward and get their affairs up to date and ensure they are accurate. Further action is taken where landlords fail to respond to these letters.

We will be working with Rent Smart Wales in 2021, ahead of contacting landlords identified using their data. Our work with Rent Smart Wales also involves helping them to support landlords, including sharing educational material to help landlords understand their tax obligations.

Data sharing arrangements provide an important component of our approach to the collection of tax from landlords across the UK. We keep our requirements around the data we collect under constant review, and as part of this we will explore how data sharing can be more usually expanded, used, and enhanced.

I hope this is a useful summary of our work in this area. I too would like to recognise the important milestone of the closure of the WRIT Project, and to thank you and your officials

for your positive engagement in the implementation of WRIT. I look forward to the continued close working relationship between the Welsh Government and HMRC.

Yours sincerely,

A handwritten signature in blue ink that reads "Ruth Stanier". The signature is written in a cursive style. Below the signature is a horizontal blue line that tapers at both ends, serving as a decorative underline.

Ruth Stanier

Director General, Customer Strategy & Tax Design