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Llywodraeth Cymru
Welsh Government

25 February 2021

Dear Ruth

HMRC data collection and compliance activity

At the Senedd Finance Committee scrutiny session on 8 January 2021 on the Welsh Government's draft Budget, the Minister for Finance and Trefnydd was asked by Members of the Committee to use all the means necessary to ensure the right amounts of Welsh Rates of Income Tax (WRIT) are being collected. The Committee was interested to learn more about HMRC's approach to data sharing with bodies to support compliance activity and ensure income is being properly declared and tax is being paid correctly on that income.

In particular, given that landlords living in the UK who do not declare or under declare their rental income from properties would be considered as a tax risk, the Committee was interested to understand if income from landlords is being consistently and properly included in the relevant tax calculation. Income from property, of course, forms part of the income to which WRIT applies.

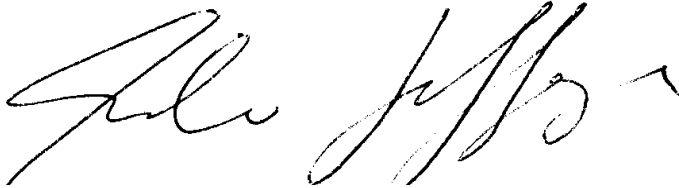
I am aware that HMRC run campaigns to incentivise disclosure of under-declared income as well as conduct enquiries where under-declaration is believed to have occurred, such as the 'Let Property Campaign'. The Committee also wanted to understand if and how information is shared between HMRC and other bodies such as Rent Smart Wales (the mandatory licencing body established in Wales under the Housing (Wales) Act 2014) that holds information on landlords operating in Wales.

The Minister has asked me to write to you and ask for information on this issue to inform a response to the Finance Committee. I would be interested in any information you are able to provide about the relationship HMRC have with Rent Smart Wales but in particular: has there been any data provided to HMRC by Rent Smart Wales in recent times and, if so, what data; to what use has HMRC put any data provided by Rent Smart Wales; and are there any ongoing discussions between HMRC and Rent Smart Wales about enhancing the provision of data.



On a separate note, I am aware that the WRIT project has recently had approval to formally close by the project board. This is a significant milestone and I would like to thank you and your team for the successful delivery of the project over the last few years and I look forward to the next stage of our working relationship.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Jeffreys', written in a cursive style.

Andrew Jeffreys
Cyfarwyddwr - Director
Trysorlys Cymru - Welsh Treasury