By 26 March 2025
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Inquiry into the Scottish budget process in practice - Scottish Parliament - Citizen

Scottish Parliament call for evidence: “Inquiry into the Scottish budget process in practice”

ICAS response

ICAS response to the call for evidence on the Inquiry into the Scottish budget process in practice – closing date: 26 March 2025

About ICAS

1. The Institute of Chartered Accountants of Scotland ('ICAS') is the world's oldest professional body of accountants. We represent over 23,000 members working across the UK and internationally. Our members work in the public and not for profit sectors, business and private practice. Approximately 10,000 of our members are based in Scotland and 10,000 in England. ICAS has a public interest remit, a duty to act not solely for its members but for the wider good.

2. The following submission has been prepared by the ICAS Tax Board. The Tax Board, with its five technical Committees, is responsible for putting forward the views of the ICAS tax community; it does this with the active input and support of over 60 committee members.

General comments

3. ICAS welcomes the opportunity to feed into the Scottish Parliament's work in respect of the Scottish budget process in practice.

4. ICAS also welcomes the opportunity to participate in helping to shape policy, legislative provisions and guidance as an active participator and trusted stakeholder. This response by ICAS relates to taxation matters only and does not offer comment on any other matters.

5. We consider it essential to ensure that the Scottish budget process is clear and unambiguous and enables the general public to understand the proposals, measures voted in and the implications for individuals and businesses. Historically we have found that generally speaking, awareness of Scottish taxes is not high in Scotland[1] and there is a need for improvement of communications by the Scottish Government to ensure this improves, in line with the Scottish Government's own Framework for Tax principles. The same applies to the Scottish budget in terms of anything which sits underneath the headlines set out by media outlets.

6. ICAS, along with other professional bodies and stakeholders, continues to call for care and maintenance provisions in the form of a regular fiscal Bill which allows for a point in time at which all amendments to legislation are carried out rather than undertaking piecemeal changes to tax legislation, which the public as well as tax and legal professionals find difficult to follow and locate. It is far easier to refer to a Finance Act or equivalent when researching legislative updates than it is to have to search through discrete legislative provisions and SSIs to ensure one has a correct and complete understanding of the current law in place.

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[1] ICAS joins forces with CIOT to call for review of the Scottish tax system | ICAS

7. In relation to the Tax Strategy document which was published alongside the 2025/26 Draft Scottish Budget documents, we consider that this document might have been more useful and helpful if the opinions of trusted stakeholders had been taken into account by way of a public consultation process.

8. With the above issues in mind, the Scottish Budget process should be aligned with the Scottish Approach to Taxation, and the Scottish Government's six taxation principles which incorporate the four Adam Smith canons of taxation: of certainty, convenience, efficiency and proportionality.

Finally…A note on sustainability

9. ICAS considers that it is necessary to factor sustainability into assessments of impacts of taxation given its ever increasing importance. Ideally with the introduction of any new tax, reassurances should be set out that sustainability related matters have been appropriately considered and woven into the creation of the tax where appropriate.

10. In this case, a form of cross-reporting with the Scottish Environment Protection Agency and other relevant stakeholders might be necessary to ensure that none of the proposals within the Scottish budget process are standing in the way of Scotland's net zero ambitions.

11. It is important that decisions made at government level seek to take account of the government target to be net zero by 2045, ensure a reduction in carbon emissions and that sustainable behaviours and practices are encouraged.

N.B. This document has been submitted to the Citizen space portal using the following link:

Inquiry into the Scottish budget process in practice - About you - Scottish Parliament - Citizen Space

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