

EXECUTIVE NOTE

The Council Tax (Discounts) (Scotland) Amendment Order 2007 SSI/2007/214

The above instrument makes minor changes to secondary legislation, updating certain financial limits relating to council tax exemptions. The instrument is subject to the negative resolution procedure.

Background

Under existing regulations, apprentices earning less than £163 per week are disregarded for council tax purposes, in much the same way as students. This earnings cap has remained the same since 2003 and we therefore propose to raise this level in line with inflation, to £195 from the 1 April 2007. The comparable threshold in England is also being raised to £195.

Policy Objective

The purpose of this instrument is to exempt apprentices earning less than £195 from council tax. This is to raise the existing cap in line with inflation, and to ensure harmonization of treatment of Scottish apprentices with apprentices in England.

Consultation

Given the limited scope of The Council Tax (Discounts) (Scotland) Amendment Regulations 2007, a one-month consultation on the draft order was conducted with all Scottish Local authorities and CoSLA in November 2006. All the responses were supportive to the updating of the legislation.

Financial Effects

This Order may mean some very marginal loss of revenue for local authorities. We anticipate that the effect will be a slight increase in income for some apprentices that will fall below the new threshold and therefore be exempt from council tax.

Scottish Executive Finance & Central Services Department
6 March 2007