

# Scottish Rate of Income Tax

The Scottish Rate of Income Tax (SRIT) is the amount of income tax Scottish taxpayers will have to pay and will come in to force from 6 April 2016.

## Scottish Taxpayer Status

A Scottish taxpayer is someone who is resident in the United Kingdom (UK) for tax purposes and who has their sole or main place of residence in Scotland for more of the tax year than in another part of the UK.

The location of an employer, trustee etc. is not of any relevance, it is the location of the individual's main place of residence that is the key factor in deciding Scottish taxpayer status.

HMRC will identify those individuals who will be Scottish taxpayers – you, as an employer, will not have to make any assessments on taxpayer status.

For the majority of individuals, identifying their main place of residence will be very simple. For those with more complex living arrangements, guidance will be published on GOV.UK later this year.

Although there is currently no legislation in place that states customers need to keep HMRC informed of a change in address, it would in their best interest to tell us about any changes in personal circumstances, including changes in address, as soon as possible, as this could potentially amend their taxpayer status and tax code.

We will be letting individuals know about the importance of notifying HMRC if they change their address but would be grateful if you could also reinforce this message with your employees.

## Tax codes

Scottish taxpayers will have their tax codes prefixed with the letter 'S'.

You should not use a tax code prefixed with the letter 'S' unless advised to do so by HMRC.

For new starters, the Scottish Rate solution will look to assess and assign the appropriate Tax Code after the first Full Payment Submission (FPS) is received, using the information we hold at that time. We will then let you know the correct tax code to use.

You should continue to operate the tax code provided by HMRC, even if there is a change to your employees' circumstances.

In-year notifications will be issued where the customer notifies us of their change of address and this changes their taxpayer status and tax code.