

Tax shock for SNP as high earners bring in £550m less than thought

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The SNP government has been urged to rethink its high-tax agenda – after new figures revealed receipts from high earners last year were £550 million lower than thought.

A new Scottish Fiscal Commission report has stated that the 2016/17 income tax take for Scotland was £10.7 billion – less than the previously forecast £11.3 billion.

The drop occurred while the SNP government was preparing to increase taxes in Scotland, a move which was eventually rubber stamped in April.

Now the Scottish Conservatives have warned that there are fewer payers of high taxes north of the border than the SNP thought, and that could impact on future budgets.

Today's tables showed vast differences between estimates on the amount of higher rate and additional rate taxpayers in Scotland.

Now, official figures have shown the number of higher rate tax payers is 14,500 lower than projected, and the number of additional rate earners lower by 2200.

Scottish Conservative shadow finance secretary Murdo Fraser said:

“This analysis shows there are considerably fewer earners on higher and additional rates than the SNP government thought when it was plotting its tax hike.

“That means future tax receipts could be badly out, and that will have an impact on the Scottish Government's ability to pay for hospitals schools and infrastructure.

“It also proves the need for a rethink on taxation.

“We need to be encouraging higher earners to come to Scotland, not driving them away with rates higher than anywhere else in the UK.

“As these figures show, a smaller number of higher rate taxpayers translates into a significantly lower tax take – and that can have serious financial

consequences.”