

*These notes refer to the Scotland Act 1998 (c.46)  
which received Royal Assent on 19th November 1998*

## **SCOTLAND ACT 1998**

---

### **EXPLANATORY NOTES**

#### **COMMENTARY**

##### **Part IV: the Tax Varying Power**

SECTION 80: Reimbursement of expenses

##### **Purpose and Effect**

This section gives the Scottish Ministers the power to reimburse Ministers of the Crown or government departments for administrative expenses incurred by virtue of Part IV of the Act (the tax varying power). The existence of this power means that under the terms of section 65 reimbursements can be made out of the Scottish Consolidated Fund.

##### **Parliamentary Consideration**

<i>Stage</i>	<i>Date</i>	<i>Column</i>
LC	6-Oct-98	337

##### **Details of Provisions**

Before the Scottish Parliament is to be able to exercise its tax-varying power, certain mechanisms have to have been put in place and maintained. These mechanisms involve certain UK Government Departments (specifically Inland Revenue and DWP) incurring some set-up costs and some continuing maintenance costs. These costs will be incurred whether or not the Scottish Parliament makes use of the tax-varying power. Thus they are not attributable to any exercise by the Scottish Administration of its functions. Without this section these particular expenses could not be met by making payments out of the Scottish Consolidated Fund (because they would not count as “expenditure of the Scottish Administration” in terms of section 65(2)(a)). While these expenses could be met in other ways than payment out of the SCF (particularly through adjustment of the grant paid by the UK Government to the Scottish Administration), it is nevertheless desirable to have the SCF option available. The section achieves this by giving the Scottish Ministers a specific power to reimburse these administrative expenses.