

# **WELSH TAX ACTS ETC. (POWER TO MODIFY) ACT 2022**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### ***Section 5 – Regulations ceasing to have effect: supplementary***

29. **Section 5** sets out what happens if a statutory instrument containing regulations under section 1 is made under the made affirmative procedure but fails to achieve Senedd approval (and so the regulations contained in that instrument cease to have effect).
30. **Section 5(2)** provides that any liability, or increased liability, to land transaction tax or landfill disposals tax that would not have arisen but for the regulations is to be treated as never having arisen.
31. **Section 5(3)** provides that any withdrawal of an entitlement to a tax credit, or reduction in such an entitlement (in relation to landfill disposals tax) that would not have occurred but for the regulations is to be treated as never having occurred.
32. **Section 5(4)** provides that any liability to a penalty, or an increase to the amount of a penalty, that would not have occurred but for the regulations is to be treated as never having arisen.
33. **Section 5(5)** provides that anything done under or in reliance on the regulations is not affected by the fact that the regulations have ceased to have effect. This will ensure that actions taken by the taxpayer in accordance with the regulations during the period they had effect are not unlawful, and also will similarly protect actions taken by the Welsh Revenue Authority.