# POLICY NOTE

# THE SCOTTISH AGGREGATES TAX (ADMINISTRATION) REGULATIONS 2025

# SSI 2025/374

The instrument above was made in exercise of the powers conferred by sections 11(1), 15(1), 18(5), 20, 22,23(1), 26(1), 33(1), 34(1), and 35(1) of the Aggregates Tax and Devolved Taxes Administration (Scotland) Act 2024; and sections 74(9) and (10) and 194(1) of the Revenue Scotland and Tax Powers Act 2014 ("RSTPA 2014") and all other powers enabling Scottish Ministers to do so. The instrument is subject to the affirmative procedure.

**Purpose of the instrument.**

This instrument makes provision for the administration and assurance of the Scottish Aggregates Tax.

## Policy Objectives

This instrument will specify the administration requirements associated with the Scottish Aggregates Tax, to ensure that the tax can be successfully brought into operation on 1 April 2026.

In particular:

— Part 1 provides for commencement of the Regulations and defines expressions used in them.

— Part 2 sets out the basic method for determining the weight of aggregate for the purposes of the tax and provides for directed, specified and agreed methods to be used instead.

— Part 3 makes provision regarding exemption from the requirements of registration for certain persons. It provides for notifications by persons who carry out or intend to carry taxable activities. It also provides for notification of cessation of taxable activities, and notification of carrying out commercial exploitation of certain exempt aggregates. It makes special provision for transfers of a going concern, partnerships and other unincorporated bodies and relating to bankruptcy or incapacity of registered persons.

— Part 4 makes provision for non-resident taxpayers' appointment of tax representatives.

— Part 5 deals with accounting for tax by making returns in respect of accounting periods, and payment of tax.

— Part 6 deals with claims and payments in respect of credits of tax arising under Parts 7 and 8.

— Part 7 provides for an entitlement to credit in respect of bad debts, and regulates the evidence required and records to be kept. It also provides for the attribution of payments to debts and the repayment of credit.

— Part 8 provides for an entitlement to credit where certain circumstances apply to the aggregate in question, such as moving the aggregate out with the United Kingdom, or aggregate being used in the industrial or agricultural processes listed in the Schedule. It also provides for the evidence required and records to be kept.

— The Schedule sets out the agricultural and industrial processes described at regulation 37.

**UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility**

The Scottish Ministers have made the following statement regarding children's rights.

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, the Scottish Aggregates Tax (Administration) Regulations 2025 are compatible with the UNCRC requirements as defined by section 1(2) of the Act.

**EU Alignment Consideration**

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

**Consultation**

A public consultation opened on 24 January 2025 on the proposed administration regulations for the Scottish Aggregates Tax, including draft SSIs with a closing date of 21 March 2025. The consultation paper and draft SSI is available on the Scottish Government website[1]. The material and views gathered through the consultation activities have informed the development of Scottish Aggregates Tax policy. Where permission has been given, responses have been published in full on the Scottish Government's consultation hub, Citizen Space[2]. Key findings from the analysis and the Scottish Government's response are presented in the consultation analysis report available on the Scottish Government website[3].

**Impact Assessments**

Equal opportunities - The Equalities Impact Assessment processes were completed while developing the secondary legislation and it was concluded that the instrument will have no negative impact on equality issues. This instrument does not relate to or impact on any of the relevant protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) either directly or indirectly.

Human rights – This instrument does not infringe on or affect any of the convention rights given domestic effect by the Human Rights Act 1998.

Child rights and wellbeing - The instrument will have no impact on the rights of children under the UNCRC requirements (as incorporated) or on the wellbeing of children.

Fairer Scotland – This instrument has not been assessed as having any impact in relation to inequalities arising from socio-economic disadvantage.

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[1] https://www.gov.scot/publications/scottish-aggregates-tax-administration-regulations/

[2] https://consult.gov.scot/taxation-and-fiscal-sustainability/scottish-aggregates-tax-proposed-admin-regulations/consultation/published_select_respondent

[3] https://www.gov.scot/publications/scottish-aggregates-tax-proposed-administration-regulations-consultation-analysis/

Consumer - There will not be any additional impacts on consumers in Scotland as a result of the provisions in this instrument.

Island communities – This instrument has not been assessed as being likely to have a significantly different effect on an island community compared with the effect on other communities.

Local government – The Scottish Aggregates Tax will replace UK Aggregates Levy in Scotland. The amendments as part of the secondary legislation will not result in any significant implications for local government. At present, four Scottish local authorities operate their own quarries and therefore directly pay UK Aggregates Levy where aggregate is commercially exploited. This instrument is not expected to result in additional responsibilities or costs to local authorities.

Sustainable development – The Strategic Environment Assessment processes were completed while developing the secondary legislation and concluded that the instrument will have no impact on sustainable development, and no adverse effects on the environment.

A Business and Regulatory Impact Assessment ("BRIA") will be published alongside this instrument which assesses the likely costs, benefits and risks that the secondary legislation will have on the public, private, or third sector.

Sustainable development – The instrument will have no impact on sustainable development.

Privacy impacts – No privacy impacts resulting from this legislation have been identified.

**Financial Effects**

The costs related to this instrument, which are the Revenue Scotland costs to administer the Scottish Aggregates Tax, are detailed in the Financial Memorandum[4] prepared in respect of the Bill that preceded the Act.

Scottish Government
Tax and Revenue Directorate
September 2025

[4] https://www.parliament.scot/-/media/files/legislation/bills/s6-bills/aggregates-tax-and-devolved-taxes-administration-scotland-bill/introduced/financial-memorandum-accessible.pdf