

## Equality Impact Assessment - Results

<b>Title of Policy</b>	Digital returns, forms and payments
<b>Summary of aims and desired outcomes of Policy</b>	<p>The aim of the policy is to help Revenue Scotland deliver a digital tax service to its users. Revenue Scotland would operate a policy of electronic submission of tax returns and payments by taxpayers and agents. The policy would also remove the mandatory requirement to pay by cheque if submitting a paper tax return.</p> <p>An exceptions process would exist to support users who have <a href="#">Enhanced Support</a> needs, this includes those who do not have access to or cannot use digital technology. Exceptions are assessed on a case-by-case basis and also applies to cases where a taxpayer digital journey does not exist.</p>
<b>Directorate: Division: team</b>	Revenue Scotland

### Executive summary

Revenue Scotland is the tax authority with responsibility for the collection and management of Scotland's devolved taxes. Established in 2015, the organisation scaled rapidly to ensure the efficient collection of tax from our service users.

The Equality Act 2010 places a duty on Revenue Scotland to have due regard to the need to eliminate discrimination, advance equality of opportunity, and promote good relations between people who share protected characteristics and those who do not. To fulfil this duty, Revenue Scotland must assess and review how its policies and practices may affect people who are protected under the Equality Act 2010.

Revenue Scotland continually evolves its service delivery offering. Prior to March 2020, Revenue Scotland receive c99% of tax returns digitally. However, paper returns and cheque payments were accepted and processed by staff members. During to the impact of COVID-19, Revenue Scotland stopped accepting cheques and paper returns. In 2021 a policy was developed seeking to continue with the Digital returns, forms and payments on a permanent basis.

The EQIA undertaken considered how the Digital returns, forms and payments policy may impact, either positively or negatively, people with any of the nine protected characteristics of age, disability, gender reassignment, sex, pregnancy and maternity, race, religion or belief, and sexual orientation.

In summary, the policy is expected to have a positive direct impact on people with protected characteristics and indirectly with our wider external user base. The operation of an exceptions process mitigates the risk of the policy negatively impacting people with protected characteristics. The policy was implemented in 2021 and the policy with an exceptions process continues to operate today.

## **Background**

To protect the health and wellbeing of Revenue Scotland staff, Revenue Scotland made several temporary operational changes in response to COVID-19. One of the decisions made was to stop accepting cheques and paper returns/forms during the COVID-19 period.

Revenue Scotland helped taxpayers and agents transition to digital submission. High volume users were proactively contacted to be informed of the policy change and were assisted to sign up to SETS (tax collection system) and/or electronic payment. Communications were also shared on the Revenue Scotland website and via stakeholder groups.

In 2021, the policy was proposed to be implemented on a permanent basis. The impacts of the temporary policy were assessed. It was felt that the policy was working well for all users including those with protected characteristics. The policy is also aligned to Revenue Scotland's strategic ambition of delivering a digital tax service. The policy gives users access to inbuilt guidance into the digital journeys, helping taxpayers and agents comply with their obligations by deadline. Previously taxpayers would have their paper returns/cheques rejected due to missing/incorrect information. This could result in taxpayers receiving a penalty for failure to submit their tax return/payment by deadline.

## **The Scope of the EQIA**

The scope of the EQIA was to consider the impact of Digital returns, forms and payments policy on people with protected characteristics. The policy applies to all types of tax returns and forms that can be submitted digitally. The following is an example (not exhaustive) list, it includes LBTT conveyance; First time lease tax returns; 3 yearly lease review returns; Assignment; Termination; quarterly SLfT tax returns and Additional Dwelling Supplement (ADS) forms. Revenue Scotland may extend this list to include other forms e.g. Agent Authority Forms.

The policy applies to current taxes (LBTT and SLfT) and future taxes administered by Revenue Scotland. The policy therefore has a wide-ranging impact. For this reason, the policy, and any impacts on equality, whether positive or negative, affects taxpayers, agents and Revenue Scotland colleagues.

Revenue Scotland engaged with internal and external stakeholders to understand the rationale for using paper returns and cheques. Scoping sessions were conducted to determine

potential impacts on equalities and those with the nine protected characteristics. The EQIA was informed by consideration of these consultations, user feedback received and any relevant data available. Monitoring of any impacts on equality continues as Revenue Scotland's service delivery evolves.

### **Key Findings**

Following analysis of the evidence of the potential impacts of the policy on each of the protected characteristics, Revenue Scotland expects the implementation of the Digital returns, forms and payments policy to have a positive impact on equality groups. Due to the implementation of an exceptions process the potential risks to those with protected characteristics have been mitigated.

The policy benefits include:

- Supports taxpayers with a disability because the tax return and payment can be submitted without the need to leave home (no need to post paperwork).
- Digital journeys are received on submission, preventing postal delays and associated costs.
- Repayments to taxpayers are processed from receipt of form and/or evidence, therefore repayments would be issued timelier to taxpayers.
- The electronic tax system prompts taxpayers and agents to complete mandatory fields and the user is unable to move to the next page without completing this information. This prevents taxpayers missing mandatory information which could occur with a paper tax return/cheque.
- Depending on the options selected, fields are narrowed down to only the relevant fields which should help taxpayers with the accuracy of the tax return.
- Taxpayers and agents also receive confirmation of submission immediately after submission of the tax return/payment. This gives timely notification to service users
- Users also benefit from being directed to help links detailing the relevant guidance page.
- Evidence shows during the COVID period, agents who previously submitted paper tax returns and/or paid by cheque had moved to electronic payment and submission options and to revert to paper return/cheque could have a cost/process change.

Overall, it was concluded that the policy would positively impact on those with protected characteristics.

### **Recommendations and Conclusion**

The EQIA process did not alter the policy but reinforced the need to have an exceptions process to support those who need extra help.

Revenue Scotland continues to operate the Digital returns, forms and payments policy. As part of the Service delivery strategy, Revenue Scotland continues to consider how service additions or modifications impact those with protected characteristics.

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