

Integrated Impact Assessment – Summary

Activity	Implementation of Scottish Aggregates Tax
Summary of aims and desired outcomes	<p>The Scotland Act 2016 empowered the Scottish Parliament to legislate for the tax on the commercial exploitation of aggregate in Scotland to replace UK Aggregates Levy.</p> <p>The Scottish Aggregates and Devolved Taxes Administration (Scotland) Bill was introduced to the Scottish Parliament in November 2023 and approved by the Scottish Parliament in October 2024. The Bill received Royal Assent and became an Act of the Scottish Parliament on 12 November 2024.</p> <p>Aggregates Tax and Devolved Taxes Administration (Scotland) Bill</p> <p>Scottish Aggregates Tax commences on 1 April 2026.</p> <p>Revenue Scotland will be responsible for the implementation of all necessary requirements to operationalise the policy intent, and for the collection and administration of the new tax from 1 April 2026.</p>
Directorate: Division: Team	Revenue Scotland: New Devolved Taxes Programme Team

Executive Summary

The Scotland Act 2016 provides the Scottish Parliament with the power to introduce a devolved tax to replace the UK Aggregates Levy (UKAL) in Scotland. This is known as Scottish Aggregates Tax (SAT).

The UKAL has been in operation since 2002 and applies in Scotland until 31 March 2026. The [Aggregates Tax and Devolved Taxes Administration \(Scotland\) Act 2024](#) replicates the core structure of the UKAL, whilst also providing opportunities for improved collection and administration of the tax. Essentially this is an existing tax with a cohort of existing taxpayers who will pay SAT for any exploitation of aggregates materials in Scotland from 1 April 2026.

SAT is the third devolved tax to be administered in Scotland and is a strategic deliverable for Scottish Government and Revenue Scotland. The introduction of SAT forms part of Revenue Scotland's Corporate Plan objectives and will deliver large scale organisational change that affects every area of the business and extends our tax collecting responsibilities.

Background

The New Devolved Taxes Programme was established within Revenue Scotland to ensure the successful operational delivery of SAT from 1 April 2026. The programme approach has been underpinned by adherence to Scottish Governments ambitions on User Centred Design and a Digital First approach.

The deliverables for the programme include:

- Design, development and implementation of operational requirements for the collection and administration of SAT in accordance with the legislation, including operational processes, compliance approach, internal and external guidance and staff training.
- Enhancement of our existing tax collection system, SETS, to incorporate SAT.
- Enhancement of our existing Finance system and Helpdesk
- Design, development, implementation and testing of the Taxpayer Registration Platform
- Stakeholder (including future taxpayer) engagement to ensure familiarisation, and readiness, for the introduction of SAT.
- Preparing all business areas in Revenue Scotland for the introduction of SAT, including the creation of new business processes, the enhancement of existing business processes, relevant strategies, partner agreements and recruitment.

Scope of the Integrated Impact Assessment

The Integrated Impact Assessment examined how the operationalisation and implementation of SAT may affect key statutory duties, specifically:

- The Public Sector Equality Duty
- Island Communities
- The Fairer Scotland Duty
- Consumer interests under the Consumer Duty

The introduction of SAT affects an established cohort of UK taxpayers and their agents, as well as Revenue Scotland staff, internal systems, and wider partner organisations. Throughout the lifecycle of the Programme, the team - supported by subject matter experts - has undertaken a broad range of stakeholder engagement and research activities to understand these impacts comprehensively.

The IIA is informed by the evidence gathered through stakeholder consultations, user feedback, and a variety of data sources.

Ongoing monitoring will remain in place to ensure that any emerging impacts are identified and addressed as Revenue Scotland's service delivery continues to evolve.

Key Findings

A detailed assessment of potential impacts across the IIA indicates that implementation of SAT is expected to result in a neutral impact, with no significant positive or negative effects identified.

Key insights are summarised below;

- SAT replaces the existing UKAL and also replicates the core structure of UK tax. Therefore the key design elements and digital requirements are very similar to that already in place. As well as this, the taxpaying community is an existing cohort which is largely static.
- Our research has indicated that over 95% of the taxpayers themselves will be non-natural persons (predominantly companies), noting that of course companies will be in turn be represented by natural persons.
- RS operates an Enhanced Support Policy which provides assistance to those taxpayers who may need additional tailored support.
- An exceptions process is available to taxpayers who are unable to submit tax returns electronically.
- Revenue Scotland's Support Desk is available to support taxpayers and agents including by directing them to relevant guidance sections.
- Revenue Scotland uses "Recite Me" accessibility and language tools to reduce access barriers to our services.

Recommendations and conclusion

IIA Recommendation – Proceed with caution

SAT replaces UKAL in Scotland and replicates the core structure of UK tax. As a result, key design elements, operational processes, and digital requirements are closely aligned with those already in place. The tax-paying community is well established and largely static, meaning that the transition involves minimal change to taxpayers' obligations and administrative processes.

This assessment outlines how the Public Sector Equality Duty (PSED), Fairer Scotland Duty, Consumer Duty, and Island Communities considerations have been met through a robust, evidence-based, user-centred approach, designed to ensure the best possible experience for all service users.

Public Sector Equality Duty (PSED)

In line with the PSED, due consideration has been given to eliminating discrimination and advancing equality of opportunity across people with different protected characteristics.

Evidence gathered through stakeholder engagement forums, user research, requirements-gathering sessions, and analysis of existing Revenue Scotland Impact Assessments indicates that the transition from UKAL to SAT has a negligible impact on people with protected characteristics. The administrative and legislative continuity ensures that there are no new processes likely to create barriers for protected groups.

Revenue Scotland's Enhanced Support Policy and Support Desk remain central to ensuring that individuals with additional support needs continue to receive accessible and tailored assistance. In addition, for users with limited or no access to digital services, Revenue Scotland continues to offer paper returns upon request. This ensures access for those who cannot interact digitally due to disability, accessibility needs, digital literacy, or connectivity challenges.

Fairer Scotland Duty

Under the Fairer Scotland Duty, consideration has been given to how the move from UKAL to SAT may impact inequalities of outcome caused by socio-economic disadvantage.

The transition introduces no new costs, obligations, or operational burdens for taxpayers. A user-centric design approach has been adopted to provide clarity on the new tax, maintain consistency with existing UKAL arrangements, and ensure that users understand what—if anything—changes for them. Insights from engagement activities have ensured that any potential burdens or barriers are minimised, supporting fair access for all users regardless of socio-economic circumstances. Administrative considerations aside, the underlying tax policy (developed by the Scottish Government) is that a given quantity of aggregate will not be subject to tax more than once.

Revenue Scotland's continued provision of non-digital alternatives, including paper returns where required, supports equitable access for taxpayers who may experience digital exclusion due to affordability, skill level, or local infrastructure limitations.

Island Communities Impact Assessment

In accordance with the Islands (Scotland) Act 2018, consideration has been given to whether island communities may experience the transition differently from mainland taxpayers. Given that UKAL is a long-standing and stable tax with an established user base, and that SAT replicates the core legislative and administrative framework, no additional or unique impacts have been identified for island communities.

Digital access requirements remain consistent with current arrangements. Where connectivity is limited, or where users experience barriers to digital services, Revenue Scotland's longstanding practice of providing paper returns remains available. Combined with the Enhanced Support Policy and Support Desk, this ensures that Island community users receive accessible, reliable support regardless of geographic location. Overall, the transition presents no material differential impacts for island communities.

Consumer Duty

The Consumer Duty requires that consumers are treated fairly, receive clear information, and have appropriate support to make informed decisions.

The majority of the tax payable under SAT will not be paid by parties affected by Consumer Duty obligations as they will be defined as medium and large companies. Nonetheless the impact of the tax is considered here as many will be small companies or natural persons.

User research and requirements-gathering activities have informed service design to ensure we minimise risks of consumer detriment and ensure clarity and fairness throughout the transition.

The Revenue Scotland Support Desk provides operational support, ensuring that taxpayers can access timely and accurate guidance when engaging with the system.

Following go-live, consumer-related data (including enquiry patterns, user feedback, and support requests) will be monitored to ensure that outcomes remain positive and that emerging issues are identified and resolved promptly.

Outcomes-Based Approach

An outcomes-focused approach has been embedded across all duties by prioritising what users need to be able to do and making decisions based on evidence obtained through engagement, research, and existing assessments. Given the stability of the taxpayer population and the limited administrative change involved, impacts are expected to be low.

The approach ensures that the resulting service is transparent, accessible, and responsive to user needs.

Monitoring and Review

To ensure that the intended outcomes are realised and that no unintended consequences arise, a structured programme of monitoring and review will take place following go-live. This will include:

- Review of equality data to identify whether any groups experience differential outcomes or may require additional support.
- Analysis of consumer-related data, including enquiry themes, support requests, and user feedback, to assess fairness, clarity, and accessibility.
- Ongoing assessment of support needs, ensuring that the Enhanced Support Policy and Support Desk continue to meet user expectations and provide effective assistance.
- Consideration of island and socio-economic impacts should any issues emerge through operational activity or user feedback.

Findings from this monitoring activity will inform continuous improvement and, where necessary, lead to proportionate mitigation actions to support equitable, fair and consistent outcomes for all service users.

Michael Paterson
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