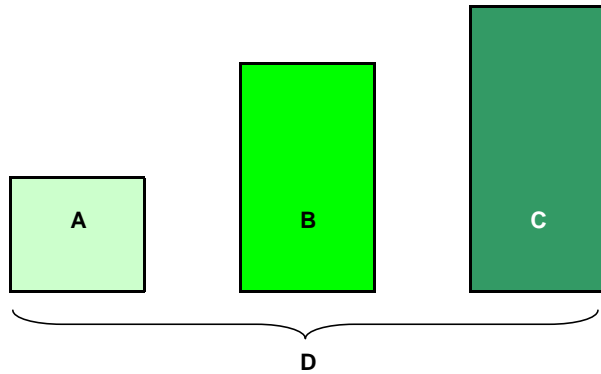


Income Tax Terminology - in the context of the Scotland Bill

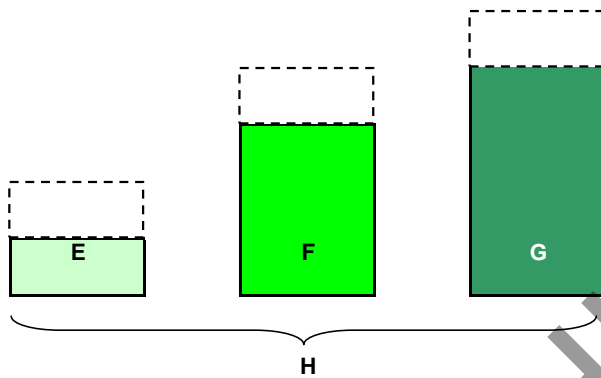


Legal Terminology

- A The basic rate
- B The higher rate
- C The additional rate
- D The main rates

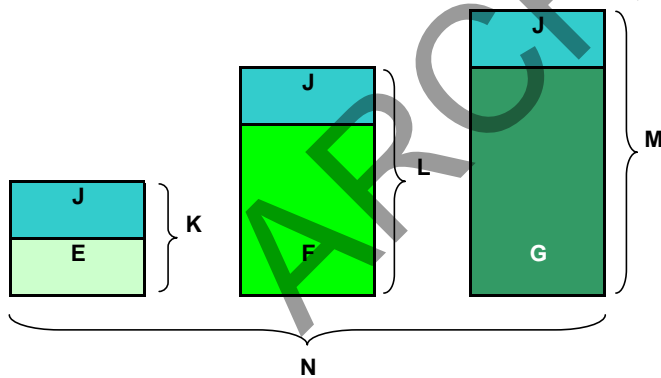
Usage when contrasting with rates for Scottish Taxpayers

- A The UK basic rate
- B The UK higher rate
- C The UK additional rate
- D The main UK rates



The half way point of calculation of the rates to be paid by Scottish taxpayers

- E The basic rate after deduction of ten percentage points.
- F The higher rate after deduction of ten percentage points.
- G The additional rate after deduction of ten percentage points.
- H The main rates after deduction of ten percentage points.



Legal Terminology

- J The Scottish rate
- K The basic rate to be paid by Scottish taxpayers
- L The higher rate to be paid by Scottish taxpayers
- M The additional rate to be paid by Scottish taxpayers
- N The rates of income tax to be paid by Scottish taxpayers

Accepted for common usage

- K The Scottish basic rate
- L The Scottish higher rate
- M The Scottish additional rate
- N The Scottish main rates

Notes on the digrams and labels above

- 1 In some contexts, the words "of income tax" will need to be inserted after the word "rate" or "rates", but this has generally been taken as understood in this document.
- 2 The term (J), "The Scottish rate" should be reserved for the component that the Scottish Parliament sets to "replace" the deduction of ten percentage points from the main rates.
- 3 The Scottish main rates (N) should **not** be referred to as "the Scottish rates" as this could lead to confusion with "the Scottish rate".

Additional points on usage

- A The Scottish main rates (N) apply to "Scottish taxpayers" (a term defined in the Scotland Bill), **not** to people who "are Scottish". To avoid confusion or misunderstanding, people should always refer to "Scottish taxpayers" in this context.
- B While some may refer to their "home" or their "main home", in relation to deciding whether they are Scottish taxpayers, it should be noted that the Scotland Bill refers to a "place of residence" or a "main place of residence" and this more precise usage is preferred.