**Tax Policy Appraisal Template Document**

**[Insert title of tax policy change]**

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| **Key points** |
| [This section can be used to provide a summary of the most important information from the full appraisal. What to include will depend on the proposal being appraised, and the rationale and objectives of the proposal. But in most instances, one will want to include information on a policy proposal’s cost/yield, whether the policy is deemed likely to meet its objective, and other major impacts, including potential unintended or negative impacts.] |
| **1. Description of change** |
| [Provide a precise description of the policy change. When was the change announced and when will it come into effect? Which law(s) governs the policy? What is the current policy in place and what is being changed? Where possible, if multiple changes are being made to the same tax, separate policy evaluations should be undertaken for each change.] |
| **2. Rationale and objective** |
| [Set out the policy problem and why the change is needed, paying particular attention to ensure the rationale is coherent and grounded in sound economic reasoning. What is the problem with the current policy that this change seeks to address?] |
| **3. Supporting evidence** |
| [Provide supporting evidence for the idea that this policy change will achieve the objective set out above. Ideally, such evidence would be based on similar policy changes undertaken in similar contexts.] |
| **4. Cost of policy** |
| *[N.B. A separate policy costing template should be filled in, providing detail on the calculated cost of the policy change under consideration.]*  ***Final costing***  [In the costing table below, enter the estimated revenue cost/yield for the policy change over the forecast period. The top row is for the main forecast; below this are optional rows in case ‘high-cost’ and ‘low-cost’ variants of the policy costing have also been produced.]  ***Key assumptions***  [Briefly outline the method used for calculating the final costing for this policy, paying particular attention to whether any behavioural responses or broader economic impacts have been accounted for.]  ***Key uncertainties***  **[**Briefly list the main uncertainties that materially affect the direction and/or magnitude of the policy costing, and why these are uncertain. More information can be provided in a separate policy costing document.] |
| **5. Affected groups** |
| [Provide details of which groups of the population are most likely to be affected by the proposed policy change. Ideally, this would be based on empirical analysis – using a microsimulation model, for instance. In the absence of available data and/or methods, a more assumption-driven and narrative-based approach will be required.] |
| **6. Wider and unintended impacts** |
| [Set out here any other economic impacts that might be expected beyond the intended objective(s) of the policy change, paying particular attention to any unintended or negative impacts the proposed reform may have. Ideally, the magnitude of possible economic impacts that could be expected would draw on relevant academic literature or previous policy evaluation exercises. In the absence of such evidence, a more assumption-driven and narrative-based approach will be required.] |
| **7. Legal and administrative issues** |
| [Provide details of the primary or secondary legislation to which this measure refers, if already in place, and the nature of the legislative process that may be necessary to amend it. Include administrative factors that may affect the design, simplicity, efficacy, collection cost or compliance cost or other factor in the successful administration of the measure that should be considered at the planning stage.] |
| **8. Alternative policies** |
| [Provide details of alternative policies that might be considered in the pursuit of the objectives set out above. Why were these alternative policies considered to be less suitable than the policy chosen here?] |
| **9. Assumptions and uncertainties** |
| [Provide details of any assumptions made in the formulation and appraisal of the proposed policy reform, as well as any uncertainties relating to these assumptions.] |
| **10. Monitoring and evaluation** |
| [Provide details of the monitoring and evaluation processes in place for this policy change. Who is responsible for this oversight? On what grounds will the policy change be evaluated? When will a review of the policy be undertaken?] |

**Annex: costing table**

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| **Policy costing: [insert title of tax policy change]** | | | | | |
|  | **2022** | **2023** | **2024** | **2025** | **Long-term** |
| Central estimate |  |  |  |  |  |
| ‘High-cost’ variant (optional) |  |  |  |  |  |
| ‘Low-cost’ variant (optional) |  |  |  |  |  |

Note: + = net yield from policy; − = net cost of policy.