

Draft Order laid before the Scottish Parliament under section 68(2)(b) and (k) of the Land and Buildings Transaction Tax (Scotland) Act 2013 for approval by resolution of the Scottish Parliament.

DRAFT SCOTTISH STATUTORY INSTRUMENTS

2015 No.

LAND AND BUILDINGS TRANSACTION TAX

The Land and Buildings Transaction Tax (Tax Rates and Tax Bands) (Scotland) Order 2015

Made - - - - 2015
Coming into force - - 1st April 2015

The Scottish Ministers make the following Order in exercise of the powers conferred by section 24(1) of and paragraph 3 of schedule 19 to the Land and Buildings Transaction Tax (Scotland) Act 2013⁽¹⁾ and all other powers enabling them to do so.

In accordance with section 68(2)(b) and (k)⁽²⁾ of that Act a draft of this Order has been laid before and approved by resolution of the Scottish Parliament.

Citation, commencement, application and interpretation

1.—(1) This Order may be cited as the Land and Buildings Transaction Tax (Tax Rates and Tax Bands) (Scotland) Order 2015 and comes into force on 1st April 2015.

(2) This Order has effect in relation to land transactions in relation to which—

(a) the effective date is on or after 1st April 2015; or

(b) the LBTT(S) Act 2013 applies by virtue of the Land and Buildings Transaction Tax (Transitional Provisions) (Scotland) Order 2014⁽³⁾.

(3) In this Order, “the LBTT(S) Act 2013” means the Land and Buildings Transaction Tax (Scotland) Act 2013.

Land and buildings transaction tax rates and tax bands – residential property transactions

2. For the purposes of section 24(1)(a) of the LBTT(S) Act 2013 (residential property transactions) the tax bands and the percentage tax rates for each band for residential property transactions are specified in Table A in the Schedule to this Order.

(1) 2013 asp 11.

(2) Section 68 is amended by paragraph 9(16) of schedule 4 to the Revenue Scotland and Tax Powers Act 2014 (asp 16).

(3) S.S.I. 2014/377.

Land and buildings transaction tax rates and tax bands – non-residential property transactions

3. For the purposes of section 24(1)(b) of the LBTT(S) Act 2013 (non-residential property transactions) the tax bands and the percentage tax rates for each band for non-residential property transactions are specified in Table B in the Schedule to this Order.

Land and buildings transaction tax rates and tax bands – chargeable consideration which consists of rent

4. For the purposes of paragraph 3 of schedule 19 to the LBTT(S) Act 2013 (chargeable consideration which consists of rent) the tax bands and the percentage tax rates for each band applicable to chargeable consideration which consists of rent are specified in Table C in the Schedule to this Order.

St Andrew's House,
Edinburgh
Date

Name
A member of the Scottish Government

SCHEDULE

Articles 2, 3 and 4

TAX BANDS AND TAX RATES

Table A: Residential

	<i>Relevant consideration</i>	<i>Percentage</i>
<i>nil rate band</i>	Not more than £145,000	0%
<i>first tax band</i>	More than £145,000 but not more than £250,000	2%
<i>second tax band</i>	More than £250,000 but not more than £325,000	5%
<i>third tax band</i>	More than £325,000 but not more than £750,000	10%
<i>fourth tax band</i>	More than £750,000	12%

Table B: Non-residential

	<i>Relevant consideration</i>	<i>Percentage</i>
<i>nil rate band</i>	Not more than £150,000	0%
<i>first tax band</i>	More than £150,000 but not more than £350,000	3%
<i>second tax band</i>	More than £350,000	4.5%

Table C: Rent

	<i>Net present value (NPV) of rent payable</i>	<i>Percentage</i>
<i>nil rate band</i>	Not more than £150,000	0%
<i>first tax band</i>	More than £150,000	1%

EXPLANATORY NOTE

(This note is not part of the Order)

This Order specifies the first tax rates and tax bands for land and buildings transaction tax, which is introduced by the Land and Buildings Transaction Tax (Scotland) Act 2013 (“the LBTT(S) Act 2013”) and which, subject to the transitional provisions mentioned in article 1(2)(b), has effect in relation to land transactions on or after 1st April 2015. Separate tax bands and tax rates apply for:

- residential property transactions (see Table A in the Schedule);

- non-residential property transactions (see Table B in the Schedule); and
- chargeable consideration which consists of rent (and therefore which is only relevant in the case of leases; see Table C in the Schedule).

Tax is to be calculated by reference to sections 25 and 26 of the LBTT(S) Act 2013 and, in the case of rent, Part 2 of schedule 19 to that Act. By virtue of section 24(4) of the LBTT(S) Act 2013, transactions involving a mixture of residential and non-residential property are treated as non-residential property transactions (accordingly Table B will apply). Where a premium is paid for the acquisition of a lease the premium will be taxed separately from any chargeable consideration which consists of rent, according to the applicable rates and bands in Table A or Table B.