

# LAND AND BUILDINGS TRANSACTION TAX (SCOTLAND) ACT 2013

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## EXPLANATORY NOTES

### BACKGROUND

3. The Land and Buildings Transaction Tax (Scotland) Act 2013 (“the Act”) is the first of three related Acts being brought forward as a consequence of measures enacted in the [Scotland Act 2012 \(c.11\)](#) (“the 2012 Act”) which received Royal Assent on 1 May 2012. Under the terms of the 2012 Act, the Scottish Parliament will have responsibility for taxes on land transactions and disposals to landfill. This Act deals with the former responsibility and makes provision for a tax on land transactions in Scotland, to be called the Land and Buildings Transaction Tax (“LBTT”). LBTT is based on UK Stamp Duty Land Tax (“SDLT”) as enacted in Part 4 of the [Finance Act 2003 \(c.14\)](#). The provisions of the 2012 Act disapplying the existing SDLT regime in Scotland will be brought into force by a Treasury order in the UK Parliament. The intention is that the provisions introducing LBTT will come into force in April 2015, the day after SDLT is disappplied.
4. Discussion and debate on the provisions of this Act began with the publication of a consultation document, *Taking forward a Land and Buildings Transaction Tax*<sup>1</sup>, on 7 June 2012. The consultation document included 17 questions, as follows:
  - Questions 1-8 covered the proposed structure and scope of the tax including the move from a “slab” system to a progressive tax; future amendments to support key Scottish Government policies; exemptions and reliefs; and the treatment of both residential and non-residential leases.
  - Questions 9-13 related to anti-avoidance measures; and proposals for online returns and linking payment of tax with registration.
  - Question 14 sought views on the treatment of partnerships and trusts.
  - Questions 15 and 16 covered business and regulatory and equalities draft impact assessments.
  - Question 17 sought any other views.
5. The consultation document was published to enable a wide range of people and representative bodies with an interest in and experience of tax matters to comment. A total of 56 responses was received from individuals and organisations. Copies of the non-confidential responses can be accessed through the Scottish Government’s Library (0131 244 4565) or website.<sup>2</sup> ODS Consulting was appointed by the Scottish Government to undertake an analysis of the responses received to the consultation and their report has been published on the Scottish Government’s website.<sup>3</sup>

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<sup>1</sup> Link to consultation paper: <http://www.scotland.gov.uk/Publications/2012/06/1301>

<sup>2</sup> Link to non-confidential consultation responses: <http://www.scotland.gov.uk/Publications/2012/10/1031/0>

<sup>3</sup> Link to analysis report on consultation responses: <http://www.scotland.gov.uk/Publications/2012/10/8469>

*These notes relate to the Land and Buildings Transaction Tax (Scotland)  
Act 2013 (asp 11) which received Royal Assent on 31 July 2013*

6. The Act is intended to inter-operate with the Revenue Scotland and Tax Powers Act 2014<sup>4</sup> which was introduced to the Scottish Parliament on 12 December 2013 and passed on 19 August 2014, providing for the powers of the Tax Authority (Revenue Scotland), appeals and other matters of common relevance to devolved taxes.

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<sup>4</sup> <http://www.scottish.parliament.uk/parliamentarybusiness/Bills/70929.aspx>