

LAND AND BUILDINGS TRANSACTION TAX (SCOTLAND) ACT 2013

EXPLANATORY NOTES

THE ACT

Part 4 – Returns and Payment

Chapter 2 of Part 4 – Payment of Tax

Section 40 – Payment of tax

107. [Section 40](#) provides that LBTT is payable to the Tax Authority and deals with the due dates for payment of tax where a return is made or amended, or where tax is due following the withdrawal of a relief.
108. Tax must be paid at the same time as a return, further return or amendment of a return is made.
109. Defined terms used in this section:

“land transaction”	section 3
“land transaction return”	section 65
“Tax Authority”	section 54

Section 41 – Application to defer payment in case of contingent or uncertain consideration

110. [Section 41](#) provides that a buyer may make an application for LBTT to be deferred. The application may be made where the whole or part of the chargeable consideration for a transaction is contingent or uncertain and where some or all of the consideration may fall more than 6 months after the effective date of the transaction. Sections 18, 19, 20, 31 and 32 contain provisions about contingent or uncertain consideration. Subsection (5) provides that section 41 does not apply so far as the consideration consists of rent (i.e. in the cases of leases) unless the Scottish Ministers provide otherwise by order. Such orders will be subject to the negative procedure (see section 68). See also section 21(9) (b) in the case of annuities.
111. Defined terms used in this section:

“chargeable consideration”	section 17 and schedule 2
“Tax Authority”	section 54

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

Section 42 – Regulations about applications under section 41

112. **Section 42** is linked to section 41 and confers a power on the Scottish Ministers to make, by regulations, further provision about the circumstances under which an application may be made and the administrative framework to deal with the application procedure and the payments or repayments of LBTT which may result. Such regulations will be subject to the negative procedure (see section 68).