

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

LAND AND BUILDINGS TRANSACTION TAX (SCOTLAND) ACT 2013

EXPLANATORY NOTES

THE ACT

Part 2 – Key Concepts

Chapter 2 of Part 2 – Provision about Particular Transactions

General rules for contracts requiring conveyance

Section 10 – Substantial performance without completion

33. Modifying the general rule in sections 8 and 9, section 10 also provides that if a transaction is substantially performed and then is formally completed, the contract and any subsequent completion are treated as two separate land transactions but tax is chargeable on the second transaction to the extent only that the consideration exceeds that on the first transaction. On the other hand if a contract is substantially performed but not completed, the contract is treated as the transaction.
34. The rationale for this provision is to remove any tax benefit in a buyer resting on his or her contract and having the effective enjoyment of the interest despite not proceeding to formal completion. Subsection (6) disapplies the section 10 provisions in a case where paragraph 25 of schedule 19 (agreement for lease substantially performed etc.) applies.
35. Defined terms used in this section:

“completion”	section 64
“contract”	section 65
“effective date”	section 63
“land transaction return”	section 65
“substantial performance”	section 14