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## 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.