



# Land and Buildings Transaction Tax (Scotland) Act 2013

2013 asp 11

## PART 3

### CALCULATION OF TAX AND RELIEFS

#### *Amount of tax chargeable*

#### **24 Tax rates and tax bands**

- (1) The Scottish Ministers must, by order, specify the tax bands and the percentage tax rates for each band—
  - (a) for residential property transactions, and
  - (b) for non-residential property transactions.
- (2) An order under subsection (1) must specify, in the case of each type of transaction—
  - (a) a nil rate tax band and at least two other tax bands,
  - (b) the tax rate for the nil rate tax band, which must be 0%, and
  - (c) the tax rate for each tax band above the nil rate tax band so that the rate for each band is higher than the rate for the band below it.
- (3) A transaction is a residential property transaction if—
  - (a) the main subject-matter of the transaction consists entirely of an interest in land that is residential property, or
  - (b) where the transaction is one of a number of linked transactions, the main subject-matter of each transaction consists entirely of such an interest.
- (4) A transaction is a non-residential property transaction if—
  - (a) the main subject-matter of the transaction consists of or includes an interest in land that is not residential property, or
  - (b) where the transaction is one of a number of linked transactions, the main subject-matter of any transaction consists of or includes such an interest.

*Status: Point in time view as at 01/10/2023.*

*Changes to legislation: There are currently no known outstanding effects for the Land and Buildings Transaction Tax (Scotland) Act 2013, PART 3. (See end of Document for details)*

- (5) In the case of a transaction for which the whole or part of the chargeable consideration is rent, see paragraph 3 of schedule 19 (leases) for the tax rates and tax bands applicable to such consideration.

#### Commencement Information

- I1** S. 24 in force at 7.11.2014 by [S.S.I. 2014/279](#), art. 2, [Sch.](#)

## 25 Amount of tax chargeable

- (1) The amount of tax chargeable in respect of a chargeable transaction is to be determined as follows.

*Step 1* For each tax band applicable to the type of transaction, multiply so much of the chargeable consideration for the transaction as falls within the band by the tax rate for that band.

*Step 2* Calculate the sum of the amounts reached under Step 1. The result is the amount of tax chargeable.

- (2) In the case of a transaction for which the whole or part of the chargeable consideration is rent this section has effect subject to schedule 19 (leases).

- (3) This section is subject to—

- [<sup>F1</sup>(za) schedule 2A (additional amount: transactions relating to second homes etc. ), ]
- [<sup>F2</sup>(zb) schedule 4A (first-time buyer relief),]
  - (a) schedule 5 (multiple dwellings relief),
  - (b) schedule 9 (crofting community right to buy relief),
- [<sup>F3</sup>(ba) schedule 10A (sub-sale development relief),]
  - (c) Part 3 of schedule 11 (acquisition relief).

#### Textual Amendments

- F1** S. 25(3)(za) inserted (1.4.2016) by [Land and Buildings Transaction Tax \(Amendment\) \(Scotland\) Act 2016 \(asp 11\)](#), [ss. 2\(1\)\(a\)](#), 5(2) (with s. 3)
- F2** S. 25(3)(zb) inserted (30.6.2018) by [The Land and Buildings Transaction Tax \(First-Time Buyer Relief\) \(Scotland\) Order 2018 \(S.S.I. 2018/221\)](#), arts. 1(1), [2](#) (with art. 6)
- F3** S. 25(3)(ba) inserted (1.4.2015) by [The Land and Buildings Transaction Tax \(Sub-sale Development Relief and Multiple Dwellings Relief\) \(Scotland\) Order 2015 \(S.S.I. 2015/123\)](#), arts. 1(1), [2](#)

#### Commencement Information

- I2** S. 25 in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

## 26 Amount of tax chargeable: linked transactions

- (1) Where a chargeable transaction is one of a number of linked transactions, the amount of tax chargeable in respect of the transaction is to be determined as follows.

*Step 1* For each tax band applicable to the type of transaction, multiply so much of the relevant consideration as falls within the band by the tax rate for that band.

*Step 2* Calculate the sum of the amounts reached under Step 1. The result is the total tax chargeable.

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*Step 3* Divide the chargeable consideration for the transaction by the relevant consideration.

*Step 4* Multiply the total tax chargeable by the fraction reached under Step 3. The result is the amount of tax chargeable.

- (2) The relevant consideration is the total of the chargeable consideration for all the linked transactions.
- (3) In the case of a transaction for which the whole or part of the chargeable consideration is rent this section has effect subject to schedule 19 (leases).
- (4) This section is subject to—
  - <sup>F4</sup>(za) schedule 2A (additional amount: transactions relating to second homes etc. ), ]
    - (a) schedule 5 (multiple dwellings relief),
    - (b) schedule 9 (crofting community right to buy relief),
    - (c) Part 3 of schedule 11 (acquisition relief).

#### Textual Amendments

**F4** S. 26(4)(za) inserted (1.4.2016) by [Land and Buildings Transaction Tax \(Amendment\) \(Scotland\) Act 2016 \(asp 11\)](#), **ss. 2(1)(b)**, 5(2) (with s. 3)

#### Commencement Information

**I3** S. 26 in force at 1.4.2015 by [S.S.I. 2015/108](#), **art. 2**

### <sup>F5</sup>26A **Additional amount: transactions relating to second homes etc.**

Schedule 2A makes provision about an additional amount of tax chargeable in respect of certain chargeable transactions.]

#### Textual Amendments

**F5** S. 26A inserted (1.4.2016) by [Land and Buildings Transaction Tax \(Amendment\) \(Scotland\) Act 2016 \(asp 11\)](#), **ss. 1(2)**, 5(2) (with s. 3)

## Reliefs

### 27 **Reliefs**

- (1) The following schedules provide for reliefs from the tax in relation to certain land transactions—
  - schedule 3 (sale and leaseback relief),
  - schedule 4 (relief for certain acquisitions of residential property),
  - <sup>F6</sup>schedule 4A (first-time buyer relief),]
  - schedule 5 (multiple dwellings relief),
  - schedule 6 (relief for certain acquisitions by registered social landlords),
  - schedule 7 (alternative property finance relief),
  - schedule 8 (relief for alternative finance investment bonds),
  - schedule 9 (crofting community right to buy relief),

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schedule 10 (group relief),  
 [<sup>F7</sup>schedule 10A (sub-sale development relief),]  
 schedule 11 (reconstruction relief and acquisition relief),  
 schedule 12 (relief for incorporation of limited liability partnership),  
 schedule 13 (charities relief),  
 [<sup>F8</sup>schedule 13A (friendly societies relief),  
 schedule 13B (building societies relief),]  
 schedule 14 (relief for certain compulsory purchases),  
 schedule 15 (relief for compliance with planning obligations),  
 schedule 16 (public bodies relief).  
 [<sup>F9</sup>schedule 16A (visiting forces and international military headquarters reliefs),  
 schedule 16B (relief for property accepted in satisfaction of tax),  
 schedule 16C (lighthouses relief).]  
 [<sup>F10</sup>schedule 16D (green freeports relief).]

(2) Any relief under any of those schedules must be claimed in the first return made in relation to the transaction or in an amendment of that return.

[<sup>F11</sup>(2A) For the period allowed for amendment of returns, see section 83 of the Revenue Scotland and Tax Powers Act 2014 (asp 16).]

(3) The Scottish Ministers may, by order, modify this Act so as to—

- (a) add a relief,
- (b) modify an existing relief, or
- (c) remove a relief.

(4) An order under subsection (3) may also modify any other enactment that the Scottish Ministers consider appropriate.

#### Textual Amendments

- F6** Words in s. 27(1) inserted (30.6.2018) by [The Land and Buildings Transaction Tax \(First-Time Buyer Relief\) \(Scotland\) Order 2018 \(S.S.I. 2018/221\)](#), arts. 1(1), **3** (with art. 6)
- F7** Entry in s. 27(1) inserted (1.4.2015) by [The Land and Buildings Transaction Tax \(Sub-sale Development Relief and Multiple Dwellings Relief\) \(Scotland\) Order 2015 \(S.S.I. 2015/123\)](#), arts. 1(1), **3**
- F8** Entries in s. 27(1) inserted (1.4.2015) by [The Land and Buildings Transaction Tax \(Addition and Modification of Reliefs\) \(Scotland\) Order 2015 \(S.S.I. 2015/93\)](#), arts. 1(2), **2(2)(a)**
- F9** Entries in s. 27(1) inserted (1.4.2015) by [The Land and Buildings Transaction Tax \(Addition and Modification of Reliefs\) \(Scotland\) Order 2015 \(S.S.I. 2015/93\)](#), arts. 1(2), **2(2)(b)**
- F10** Words in s. 27(1) inserted (1.10.2023) by [The Land and Buildings Transaction Tax \(Green Freeports Relief\) \(Scotland\) Order 2023 \(S.S.I. 2023/280\)](#), arts. 1(1), **2(2)**
- F11** S. 27(2A) inserted (1.4.2015) by [Revenue Scotland and Tax Powers Act 2014 \(asp 16\)](#), s. 260(2), **Sch. 4 para. 9(4)** (with ss. 257-259); S.S.I. 2015/110, art. 2(1)

#### Commencement Information

- I4** S. 27(1) in force at 7.11.2014 for specified purposes by [S.S.I. 2014/279](#), art. 2, **Sch.**
- I5** S. 27(1) in force at 1.4.2015 in so far as not already in force by [S.S.I. 2015/108](#), **art. 2**
- I6** S. 27(2) in force at 1.4.2015 by [S.S.I. 2015/108](#), **art. 2**
- I7** S. 27(3)(4) in force at 7.11.2014 by [S.S.I. 2014/279](#), art. 2, **Sch.**

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### *Liability for tax*

## **28 Liability for tax**

- (1) The buyer is liable to pay the tax in respect of a chargeable transaction.
- (2) As to the liability of buyers acting jointly, see—
  - (a) section 48(2)(c) (joint buyers),
  - (b) paragraph 3 of schedule 17 (partnerships), and
  - (c) paragraphs 15 to 18 of schedule 18 (trusts).

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#### **Commencement Information**

**18** [S. 28](#) in force at 1.4.2015 by [S.S.I. 2015/108](#), [art. 2](#)

**Status:**

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**Changes to legislation:**

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