

These notes relate to the Land and Buildings Transaction Tax (Amendment) (Scotland) Act 2016 (asp 11) which received Royal Assent on 24 March 2016

LAND AND BUILDINGS TRANSACTION TAX (AMENDMENT) (SCOTLAND) ACT 2016

EXPLANATORY NOTES

BACKGROUND

3. The 2016 Act amends the Land and Buildings Transaction Tax (Scotland) Act 2013 (“the 2013 Act”). The 2013 Act imposes a tax on transactions involving the acquisition of chargeable interests in land in Scotland (for example, a standard house purchase) and the 2016 Act will increase the amount of tax for certain transactions. The tax is known as Land and Buildings Transaction Tax or LBTT and is sometimes referred to informally as “Stamp Duty”¹. LBTT is administered by Revenue Scotland, with assistance from the Registers of Scotland, under the Revenue Scotland and Tax Powers Act 2014 (“the 2014 Act”). LBTT is a self-assessed tax and registration of title can generally not be obtained unless a tax return has been made and arrangements satisfactory to Revenue Scotland have been made for payment of any tax.
4. Since being enacted in 2013, the 2013 Act has been amended by—
 - paragraph 9 of schedule 4 to the 2014 Act;
 - the Land and Buildings Transaction Tax (Qualifying Public or Educational Bodies) (Scotland) Amendment Order 2014;
 - the Land and Buildings Transaction Tax (Addition and Modification of Reliefs) (Scotland) Order 2015; and
 - the Land and Buildings Transaction Tax (Sub-sale Development Relief and Multiple Dwellings Relief) (Scotland) Order 2015.
5. Therefore the amendments provided for in the 2016 Act, as further described below, are additional to these amendments already in effect. The new amendments will be in force for 1 April 2016 for land transactions with an effective date on or after that date, unless missives were concluded before 28 January 2016 which was the date on which the Bill for the 2016 Act was published on the Scottish Parliament’s website together with its accompanying documents.
6. Since the 2014 Act already contains all of the powers required for Revenue Scotland to administer the additional amount of tax provided for in the Act, and carry out compliance work, the 2016 Act makes only one consequential amendment to that Act (at section 2(2) of the Act). Part 5 of the 2014 Act, for example, sets out the Scottish General Anti-avoidance Rule and this would apply to tax avoidance concerning the additional tax.

¹ It is important to note however that, strictly, Stamp Duty is a separate and unrelated reserved tax administered by Her Majesty’s Revenue and Customs (HMRC).