

POLICY NOTE

THE LAND AND BUILDINGS TRANSACTION TAX (GREEN FREEPORTS RELIEF) (SCOTLAND) ORDER 2023

SSI 2023/280

This Order is made in exercise of the powers conferred by sections 27(3)(a) and 68(1) of the Land and Buildings Transaction Tax (Scotland) Act 2013 (“the 2013 Act”). The making of this order is subject to affirmative procedure.

Purpose of the instrument. This Order inserts new Schedule 16D to the 2013 Act to provide for relief from LBTT for eligible transactions within a Green Freeport designated tax site.

Policy Objectives

This instrument inserts new Schedule 16D to the 2013 Act to provide for relief from LBTT for eligible transactions within a Green Freeport designated tax site.

This relief is intended to support the Scottish Government’s objectives in delivering the Green Freeports programme by encouraging long-term investment in specified tax sites which are deemed, at the point of designation, to be underdeveloped.

Subject to the approval of Parliament, the instrument will come into force on 1 October 2023.

Consultation

There is no statutory requirement to consult on this instrument.

A public consultation on the policy and draft Order was published on 17 March 2023 and ran until 12 May 2023. The consultation received 10 responses from trade unions, green freeport operators and stakeholder organisations representing professionals in law, tax, and accounting. The proposed relief was also discussed as part of the Scottish Government’s regular engagement with stakeholders. A further 8 responses were received from individuals, however, these did not offer comment on the issues raised in the consultation.

An analysis of responses to the consultation will be published separately.

Impact Assessments

Equal opportunities – This Order does not unlawfully discriminate in any way with respect to any of the protected characteristics (including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) either directly or indirectly.

Human Rights – This Order does not infringe on or affect any subject areas of the European Convention on Human Rights (ECHR). We have not identified any differential impact on human rights nor any impact on any individual’s civil liberties.

Privacy impacts – No privacy impacts resulting from this legislation have been identified.

Island communities – No impacts have been identified in relation to the provisions of this Order.

Local government – There will not be any additional administrative or compliance burdens specifically affected local government beyond those duties local authorities are already subject to under the LBTT legislation.

Sustainable development – While this Order will have no impact on sustainable development, the overall Green Freeport programme objectives include promoting regeneration and high quality job creation and promoting, decarbonisation and a just transition to a net zero economy.

Business and Regulatory – A BRIA will be published in due course in the context of the wider Green Freeports programme, of which this relief forms part.

Financial Implications

The Scottish Fiscal Commission has set out its assessment of the impact of LBTT Green Freeports relief as part of their report, Scotland's Economic and Fiscal Forecasts, published in May 2023 at: <https://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-may-2023/>. The report states that “[SFC] have assumed this policy will be below our materiality threshold and we have made no formal costing”. The SFC materiality threshold is £5m.

As with all reliefs, Revenue Scotland will monitor the level and value of claims throughout the availability period.

Scottish Government Directorate of Tax and Revenues
June 2023