
EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes various amendments to the Land and Buildings Transaction Tax (Scotland) Act 2013 (“the Act”).

Articles 2 and 3 establish a new targeted relief, in a new schedule 6A of the Act. The targeted relief is to provide relief from land and buildings transaction tax where the buyer is a local authority and the acquisition of land is funded by the Scottish Ministers under section 2 of the Housing (Scotland) Act 1987 or section 2 of the Housing (Scotland) Act 1988.

Article 5 modifies paragraph 2(2) of schedule 2A of the Act so that the period ending with the effective date of a transaction, during which the replacement of an only or main residence gives rise to relief from payment of the additional amount, is extended to 36 months.

Article 6 modifies paragraph 6 of schedule 2A of the Act so that properties owned by the buyer’s spouse, civil partner, cohabitant, or a child of the buyer or any of those persons, which are currently deemed to be owned by the buyer, are also deemed to be disposed of by the buyer, when disposed of.

Article 7 modifies paragraph 8 of schedule 2A of the Act so that relief from the additional amount is extended to transactions by joint buyers where either of the joint buyers disposes of their own former main residence in the relevant period before the effective date of the transaction, or where only one of the joint buyers has an ownership interest in a former main residence which can be disposed of in the relevant period. Further, it extends the relevant period to 36 months before or after the effective date of the transaction.

Article 8 inserts a new paragraph 9B and 9C into schedule 2A of the Act. Paragraph 8B adds a relief from the additional amount where a buyer is replacing their main residence but inherits an ownership interest in a second dwelling in the period after missives have been concluded for the purchase of the new main residence.

Paragraph 9C adds a relief from the additional amount where a buyer is replacing their main residence but is subject to a court order requiring them to retain an ownership interest in a second dwelling which is a former main residence, following divorce, dissolution of a civil partnership or judicial separation.

Article 9 amends paragraph 17 of schedule 2A of the Act to provide that a share worth less than £40,000 in a jointly owned property is to be disregarded for the purposes of determining whether schedule 2A applies to a transaction.