

# Chancellor's Autumn Statement – Swinney claims credit



Deputy First Minister and Finance Secretary John Swinney has responded to the Chancellor's announcement on stamp duty saying, 'Imitation is the sincerest form of flattery.'

The Scottish Government has already pledged to reform the UK Stamp Duty Land Tax and replace it with a Land and Buildings Transaction Tax, coming into force in April 2015.

The Deputy First Minister confirmed that Scottish Government plans will remove tax from 5,000 purchases between £125,000 and £135,000 and ensure that over 80% of house purchasers in Scotland are better off than under the new UK regime.

Commenting on the Autumn statement, the Deputy First Minister said:

"Firstly, I am delighted to see on the first occasion I've had to design a tax system for Scotland, the UK Government copies it instantaneously and applies it across the UK – imitation truly is the sincerest form of flattery.

"That said, under the original Scottish Government proposal, over 80% of home buyers in Scotland will be better-off under our Land and Buildings Transaction Tax: a system that has been designed for Scottish circumstances not London house prices.

"Under our proposals no tax will be paid on any property purchase up to £135,000 taking 5,000 properties out of taxation.

"The Chancellor has had years – and ample opportunity – to redesign the old, outdated stamp duty system which caused unfair tax hikes and distorted the market. However, he has

waited to be guided by Scotland and is now following our lead.

“Scotland’s proposals to reform stamp duty have brought reform to the whole of the UK system and we will ensure that taxation in Scotland is proportionate to the ability to pay.”

The Autumn Statement also abolished Air Passenger Duty on children under 12 from 1 May 2015. Gordon Dewar, Chief Executive of Edinburgh Airport, said: “While we welcome this announcement and believe it’s a step in the right direction, especially for families, the rate of APD in the UK is still too high and continues to have a damaging effect on the country’s aviation industry. We need to reduce costs in order to be more competitive with Europe and support business travellers and inbound tourists who help drive our economy.

“We need to act quickly and we see no reason why Westminster can’t fully devolve APD to the Scottish Parliament ahead of the General Election in 2015.”

Liz Cameron, Director and Chief Executive of Scottish Chamber of Commerce, said: “The Chancellor’s announcement today to cap business rates rises at 2% again next year should signal a mirroring of this policy in Scotland, which would deliver a marginal boost to businesses across the country next year, which had been facing increases in their rates bills of 2.3% in April. That said, it is disappointing that the Chancellor did not take the opportunity to freeze Business Rates for the next two years, and we would urge the Scottish Government to go further while it has the opportunity.

“It is very welcome that the Chancellor has at last ordered a review of Business Rates in England and this must now prompt a root and branch reform of the tax in Scotland too, where Rates have been devolved since 1999. We would urge that such a reform be extensive, focused on fairness, transparency and accountability and that the recommendations be implemented in time for the next revaluation in 2017.

“Business Rates in Scotland have become increasingly uncompetitive since the last revaluation in 2010, with ratepayers now contributing almost £600 million more today than was the case four years ago. Taken together with recent decisions from the Scottish courts which restrict the accessibility of rating appeals, the time to review Scottish Business Rates is now overdue.”