

Rates for Stamp Duty replacement to be considered this week at Holyrood



Land and Buildings Transaction Tax rates will be considered in budget.

Deputy First Minister and Cabinet Secretary for Finance John Swinney will consider revised residential tax rates for the Land and Buildings Transaction Tax (LBTT) – which will replace UK Stamp Duty Land Tax from April 2015, it was confirmed today.

Mr Swinney will review the rates as part of the Scottish Budget Bill process which will start with Stage One on Wednesday 21 January.

Existing Scottish Government plans would 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, or no worse off, than under the new UK regime.

However, following a one year only agreement with the Chief Secretary to the Treasury setting the adjustment to Scotland's block grant that will take place as a result of the Scottish Government taking responsibility for raising a small amount of revenues at £494m, Mr Swinney has now indicated that he will review the tax rates to consider whether they could benefit even more Scottish house purchasers.

Deputy First Minister and Finance Secretary John Swinney said:

“At the time of the UK Chancellor's Autumn statement I said his imitation of my Scottish tax plans was the sincerest form of flattery. On the first occasion I've had to design a tax

system for Scotland, the UK Government copied it instantaneously and applied it across the UK.

“At the time of my proposals – designed for the Scottish market not London house prices – 90% of homebuyers would have been better or no worse off, and 5,000 homes would be taken out of taxation all together, helping those at the lower end of the market.

“The Chancellor’s decision to introduce a new Stamp Duty system overnight, without warning and consultation, means that while 80% of homeowners continue to pay less tax or no tax at all under the Scottish system we now have the opportunity to review the rates and ensure they are right for Scotland.

“I will announce my conclusions to Parliament on Wednesday.”