

# Stamp Duty now a relic of the past

In days of yore solicitors would be seen trotting in and out of the Stamp Office in Picardy Place clutching title deeds and other documents which required payment of stamp duty. The process involved production of a validly executed deed and payment of the tax and a big red wax stamp would then be affixed. The difference was that the payment went to Inland Revenue. Now stamp duty is no more, but it is replaced with something new.

The main difference is that from today the first new national Scottish taxes introduced by a Scottish Parliament in more than 300 years will be collected.

Scotland's new tax authority, Revenue Scotland, is now accepting tax returns – making history as the first national administrator of solely Scottish taxes since 1707.

From this morning, the Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax (SLfT) replace Stamp Duty Land Tax and UK landfill tax respectively. The powers to administer the two new taxes follows the passage of the Scotland Act 2012.

Revenue Scotland Chair Dr Keith Nicholson, Programme Director Murdoch Macleod and Deputy First Minister John Swinney met some of the solicitors using the new LBTT online returns system during a visit this morning to Brodies LLP in Edinburgh.

Mr Swinney said:

“Today is historic. For the first time in 300 years, with the launch of Revenue Scotland, Scotland is able to collect and manage some of our own taxes.

“Years of preparation and consultation have gone into ensuring this independent agency is ready to manage these two new taxes as of today.

“In particular, our approach to establishing new taxes in Scotland has been widely welcomed for both our consultation with those who use the system and our efforts to tackle potential tax avoidance and evasion.

“Our residential LBTT rates and bands, which were approved by the Scottish Parliament, mean that no tax will be payable on 50 per cent of house purchases and more than 40,000 home buyers will pay less tax than they would under UK SDLT.

“Our tax decisions have been driven by the principle that taxes should be proportionate to the ability to pay.

“The legal, financial, leadership and operational tax experts at Revenue Scotland have worked incredibly hard to ensure a smooth transition today for tax payers and I’m very grateful to them all.”

Murdoch Macleod, Revenue Scotland Programme Director, said:

“It has been a genuine privilege to oversee the delivery of Revenue Scotland as the tax authority that will administer Scotland’s first tax collection system for 300 years.

The passion, commitment and dedication of every single member of my team has been inspirational and humbling. It has taken a huge amount of work, collaborating with solicitors and landfill operators, supporting organisations and HMRC to deliver this programme of work on time and to specification, and it is a testament to the professionalism of everyone involved that Revenue Scotland is now ready to collect and manage the taxes and deliver the highest level of service for Scotland.”

Dr Keith Nicholson, Chair of Revenue Scotland, said:

“Setting up a new tax authority from scratch, and developing the IT system, processes, technical training and all the other things involved in that is a huge task.

“The Revenue Scotland Board has been very impressed by the quality of the work done by all the team.

“This is a significant achievement of which everyone at Revenue Scotland should be rightly proud.”

Isobel d’Inverno, Head of Corporate Tax at Brodies, said:

“It has been a pleasure working with Revenue Scotland to achieve ‘go-live’ of the online LBTT system today.

“The Revenue Scotland team has worked incredibly hard in a very challenging timescale and the process has been collaborative and constructive, involving input from across the legal profession.

“Our comments and suggestions have been listened to, and the result is a user friendly and intuitive online tax system which should make life easier for solicitors dealing with property transactions in Scotland.”