

Government makes changes to property buying taxes from next week

Homebuyers will be able to take advantage of reduced rates of Land and Buildings Transaction Tax (LBTT) from next week.

The threshold at which LBTT begins to be paid will rise from £145,000 to £250,000 on Wednesday 15 July 2020 and will remain in place until 31 March 2021.

Excluding the Additional Dwelling Supplement, it means that 80% of home purchasers will pay no LBTT. Home movers buying a home costing more than £250,000 will save £2,100.

Finance Secretary Kate Forbes said: "I am delighted that we are able to implement this measure quickly and remove uncertainty from the market.

"The UK Government had weeks to prepare for its decision this week to raise the threshold at which Stamp Duty Land Tax is paid on house purchases in England and Wales, yet we were given no advance notice.

"We responded yesterday to clarify our policy intentions and by introducing the change so rapidly, we are providing certainty to people in the process of purchasing a home. Overall, increasing the LBTT threshold will help increase housing market activity, boost the construction sector and stimulate our economy.

"Alongside this distinctive Scottish approach to raising the

starting threshold for LBTT, I am also targeting further support in other areas. For example, we are injecting £50m into our First Home Fund, which provides first time buyers with up to £25,000 to buy a property. This will help an estimated 2,000 first time purchases.

“To mitigate the immediate adverse impact on the housing market in Scotland as a result of the Chancellor’s announcement, we are now working at pace on the necessary legislation and to ensure Revenue Scotland is ready to collect and manage the tax.”