

Revenue Scotland Statistics

Annual Summary of Trends in the Devolved Taxes

2022/23

Table of Contents

1.	Introduction	3
1.	Land and Buildings Transaction Tax.....	4
1.1	Overview	4
1.2	Residential LBTT excluding ADS	6
1.3	Additional Dwelling Supplement.....	11
1.4	Non-residential conveyances	15
1.5	Leases	18
1.6	Reviews of the tax chargeable for a lease.....	20
1.7	Sub-Scotland.....	22
1.7.1	Sub-Scotland: Residential LBTT	23
1.7.2	Sub-Scotland: Additional Dwelling Supplement.....	27
1.7.3	Sub-Scotland: Residential conveyances not replacing a main residence.....	29
1.7.4	Sub-Scotland: Residential tax bands	30
1.7.5	Sub-Scotland: Non-residential conveyances	32
1.8	LBTT Reliefs	34
2.	Scottish Landfill Tax (SLfT)	37
Appendix A	Date of submission versus effective date.....	40
Appendix B	Comparison of Published Statistics with Revenue Scotland’s Annual Report and Financial Statements.....	41
Appendix C	Data Quality and Further Information.....	45

1. Introduction

Revenue Scotland is responsible for the collection and management of the devolved Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax (SLfT).

This annual statistics publication summarises annual trends in the devolved taxes. It also provides more detailed data and commentary than our other more regular statistical outputs for example:

- Local authority estimates of LBTT declared due and the number of LBTT returns received.
- Estimates of LBTT revenue forgone to reliefs.
- Taxable (SLfT) disposals by European Waste Catalogue (EWC) code.

This publication mainly focuses on data from the 2022/23 financial year, with comparisons to the four previous years. Some charts span the full period since Revenue Scotland began collecting tax, dating back to April 2015. Data spanning back to this date for most figures and tables included in this publication can be found in our previous [annual publications](#).

The LBTT data presented in this publication comes from LBTT returns. Returns are grouped by year based on the date the return was received by Revenue Scotland (the submitted date). [Appendix A](#) explains how data on this basis relates to data on an effective date (date of transaction) basis.

[Appendix B](#) explains how Revenue Scotland's Official Statistics publications relate to its Annual Report and Financial Statements, and the differences in how the figures are compiled.

Revenue Scotland also publishes monthly official statistics on LBTT and quarterly official statistics on SLfT. More up-to-date high-level statistics are available from these two publications, but they do not contain some of the more detailed data found in this publication. Both can be found on the [Revenue Scotland website](#) and the open data is found on [statistics.gov.scot](#).

This publication is an **Official Statistics publication for Scotland**. Official and Accredited Official Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics by professionally independent statisticians. Both undergo regular quality assurance reviews to ensure that they meet customer needs and are produced free from any political interference.

For any further information please contact us at statistics@revenue.scot

This publication is **Crown Copyright** and is released under the [Open Government Licence](#). You are free to reuse this information provided the source is acknowledged.

1. Land and Buildings Transaction Tax

1.1 Overview

Land and Buildings Transaction Tax (LBTT) is a charge on land transactions in Scotland. Land transactions must be notified to Revenue Scotland, unless the chargeable consideration is less than £40,000, or the transaction is otherwise exempt.

The Additional Dwelling Supplement (ADS) is an additional charge which applies when the taxpayer is purchasing an additional property and not replacing their main residence. ADS most commonly arises for purchases of a second home or a buy-to-let dwelling.

Chargeable Consideration is defined as anything given in money or money's worth for the subject-matter of the transaction. For example, the chargeable consideration for a house will be the price paid for the property, land and fittings. For leases, chargeable consideration can include rent payable and any premium paid on the lease.

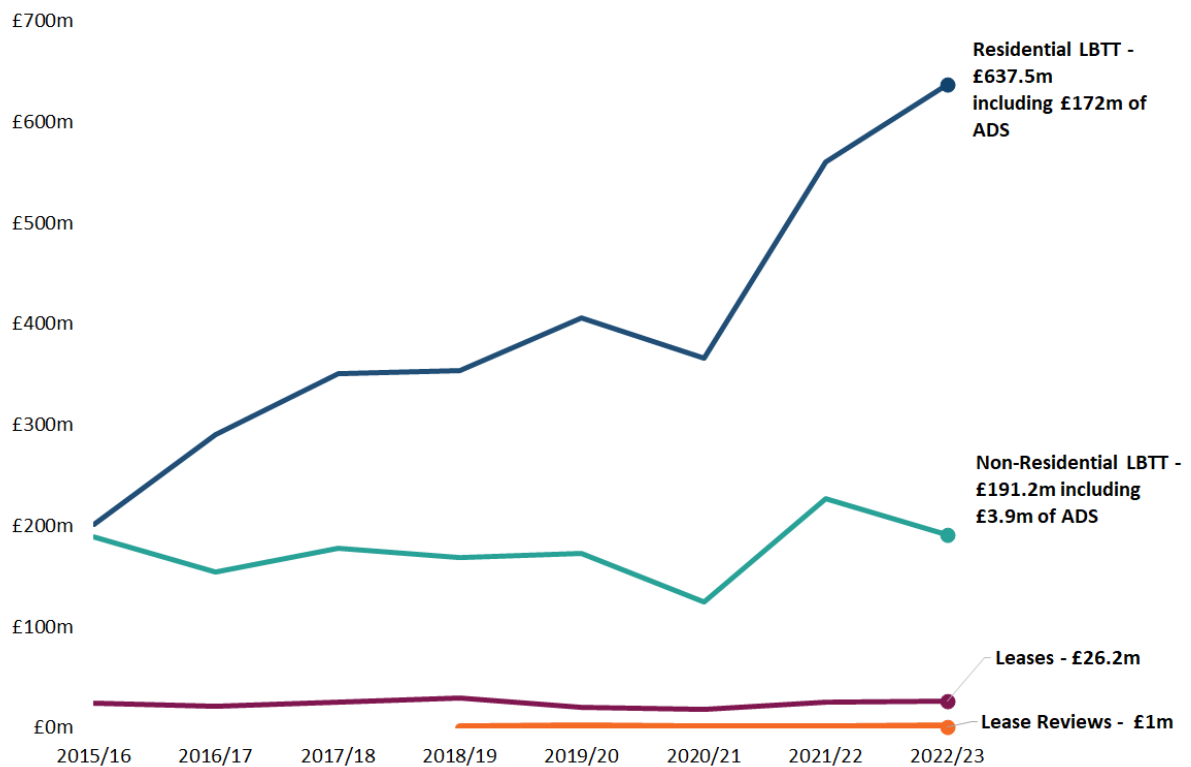
Table 1: Number of LBTT returns received by type of transaction and year, last 5 years

Year	Residential conveyance	Non-residential conveyance	Lease	Review of a lease	All
2018/19	103,750	7,160	5,130	4,220	120,250
2019/20	105,110	6,440	4,920	4,570	121,040
2020/21	96,850	5,930	3,500	2,900	109,170
2021/22	110,120	7,080	4,540	4,580	126,330
2022/23	102,610	7,040	4,620	4,720	118,980

The total number of LBTT returns received in 2022/23 was 6% lower than in the previous year. This decrease was mainly driven by a reduction in residential conveyance returns, while non-residential returns remained fairly steady and there was an increase in both lease and lease review returns.

The fall in residential LBTT returns may be due in part to rising house prices, as well as a cooling off from the previous year, where built up demand resulted in a record high number of returns following the easing of COVID 19 restrictions.

Figure 1: LBTT including net ADS declared due, by year and transaction type



2022/23 saw the highest ever LBTT declared due at £855.9 million. This up 5% on the previous high of £814.0 million recorded in 2021/22. This record-high figure was driven mainly by residential LBTT and net residential ADS, which rose by 12% and 19% respectively, offsetting a decline in non-residential LBTT.

Since the introduction of ADS in April 2016, total residential LBTT revenue has typically been at least twice as high as non-residential LBTT. This remains true in 2022/23 with total residential LBTT (£637.5m) being more than three times the figure for total non-residential LBTT (£191.2m).

Before 2016, figures for residential and non-residential were much closer. The current ratio reflects rising house prices, and the fact that ADS mainly applies to residential conveyances (27% of total residential LBTT was due to ADS in 2022/23). Excluding net ADS, residential LBTT was around 2.5 times the figure for non-residential LBTT.

1.2 Residential LBTT excluding ADS

LBTT rates and bands for residential transactions as of 1 April 2021:

Purchase price	LBTT rate
Up to £145,000	0%
£145,001 to £250,000	2%
£250,001 to £325,000	5%
£325,001 to £750,000	10%
Over £750,000	12%

Table 2: LBTT declared due, excluding ADS, and number of returns for residential conveyances

Year	LBTT excluding ADS (£ millions)	Annual percentage change in LBTT excluding ADS	LBTT returns received	Annual percentage change in LBTT returns received	LBTT excluding ADS per return received (rounded to nearest £100)
2018/19	261.0	0.3%	103,750	-0.2%	2,500
2019/20	287.1	10.0%	105,110	1.3%	2,700
2020/21	256.4	-10.6%	96,850	-7.8%	2,600
2021/22	416.5	62.3%	110,120	13.7%	3,800
2022/23	465.5	11.8%	102,610	-6.8%	4,500

Residential LBTT declared due, excluding ADS, hit a record high of £465.5 million in 2022/23, which is 12% up from the previous high set in 2021/22. The number of residential LBTT returns received was down 7% from 2021/22.

The average amount of LBTT paid per return for residential conveyances had not varied much in the 3 years prior to 2021/22, with the figure ranging between £2,500 and £2,700. In 2021/22 this figure rose significantly, jumping 46% on the year before to an average of £3,800 paid per return. In 2022/23 this figure rose again by another 18%. This rise is driven

by an increase in the proportion of conveyances in the higher LBTT bands, which reflects rising property prices.

Figure 2: Number of residential conveyance returns received by month

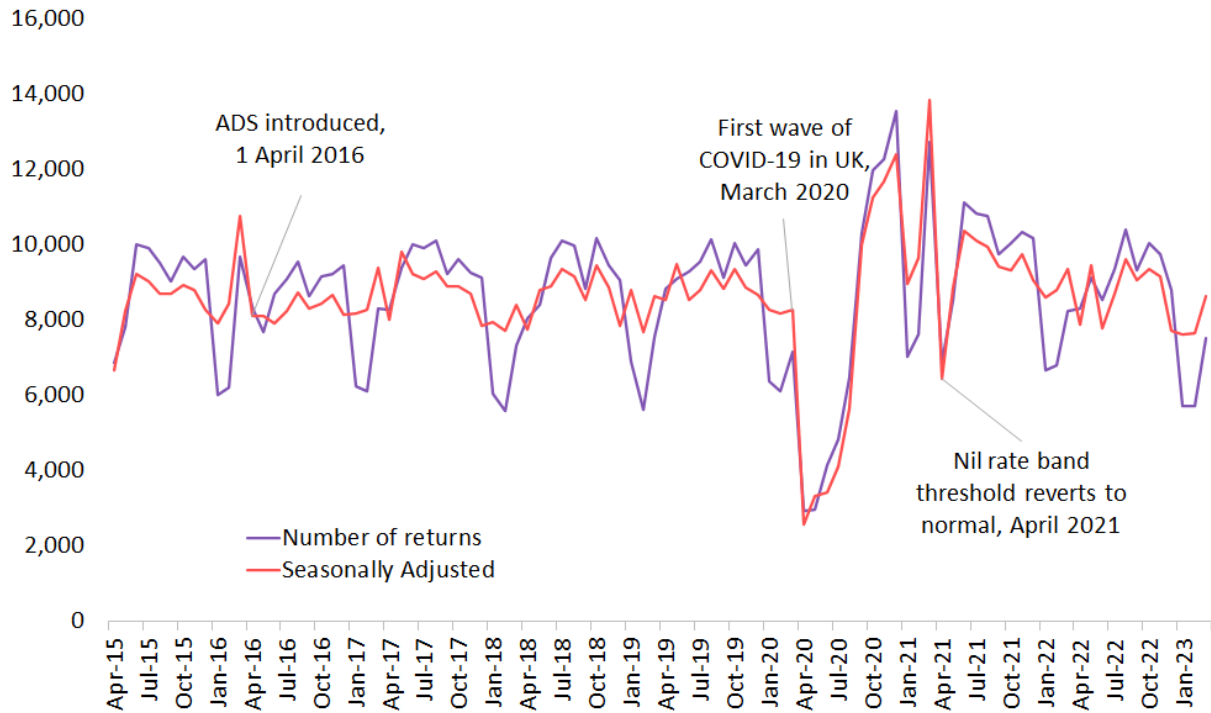
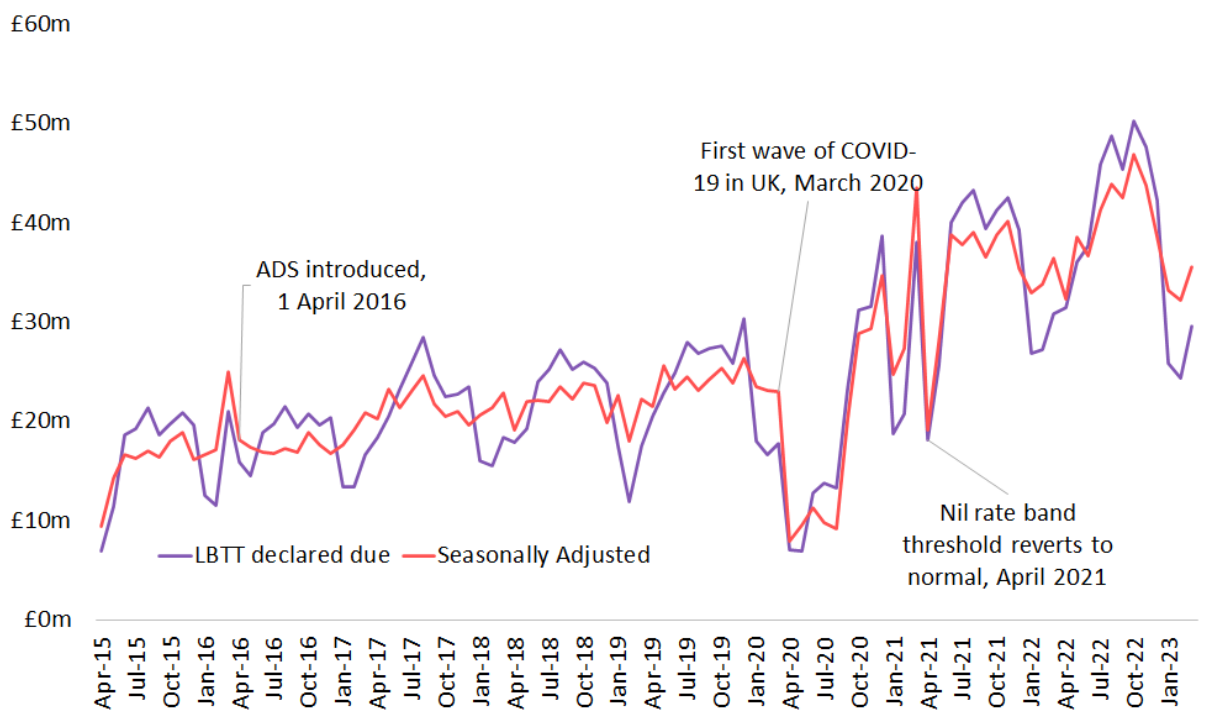


Figure 3: LBTT declared due excluding ADS, for residential conveyances received by month



Both the number of residential LBTT returns and the revenue excluding ADS show consistent seasonal, monthly, and weekly patterns. Fewer returns in all of the LBTT bands are received in January and February, and these months are also associated with lower average house prices. This is due in part to the proportion of returns relating to properties in the two highest tax bands being lowest at this time of year.

After accounting¹ for the known seasonal and calendar effects, the number of residential LBTT returns received remained relatively constant from 2015/16 to 2019/20. The effects of the COVID-19 pandemic on this trend can be seen from the end of March 2020 with the start of the first lockdown.

Between 15 July 2020 to 31 March 2021 the nil rate band threshold was temporarily increased from £145,000 to £250,000. This likely led to the unusually high number of returns seen in March 2021, and the large drop in April 2021 when the threshold reverted back to £145,000.

Figure 4: Distribution of residential conveyance returns received by residential LBTT band and year

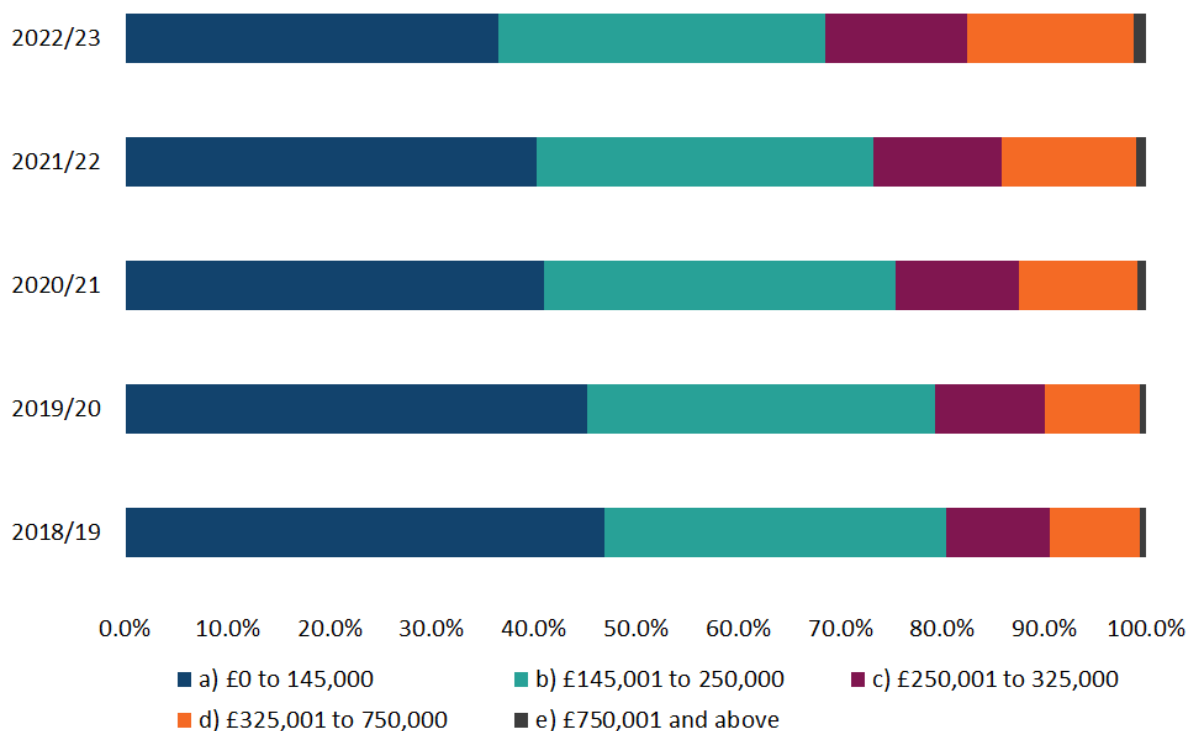


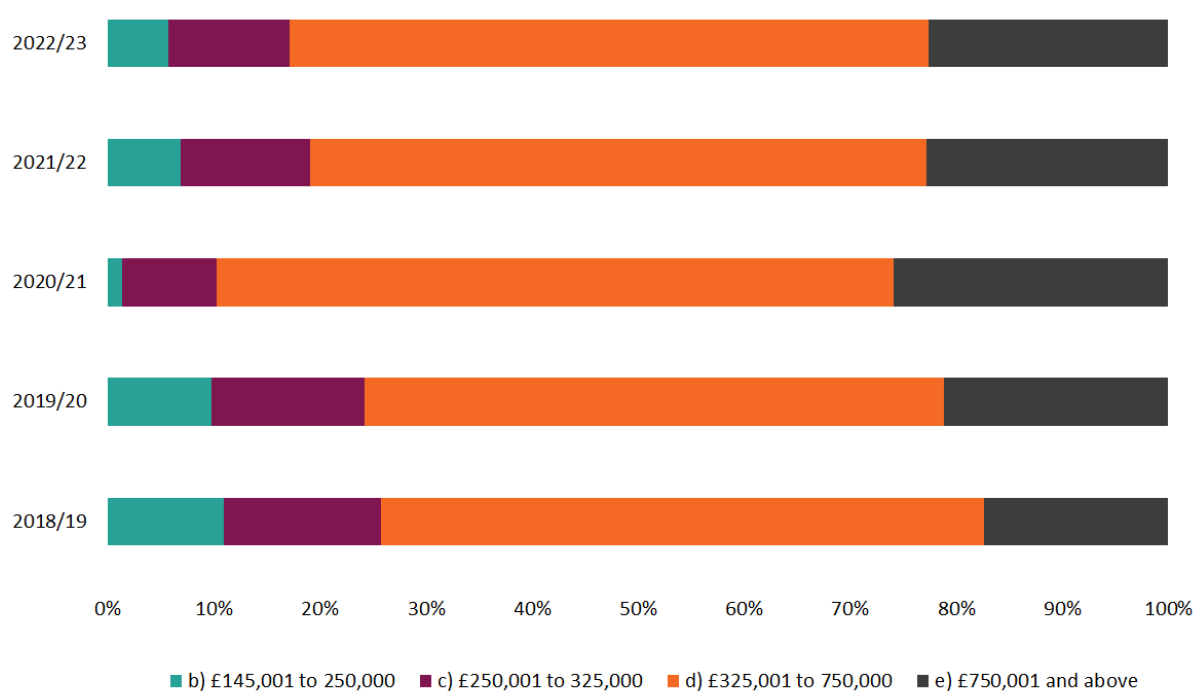
Figure 4 shows that there has been a decreasing proportion of returns in the £0 to £145,000 band each year and increasing proportions of returns received in all higher bands for the last five years. This proportion shift is caused both by a decrease in the absolute number of

¹ Seasonal adjustment performed using the X13-SEATS-ARIMA procedure, using a weighted count of weekdays in each month as a regression factor to adjust for calendar effects.

returns in the bottom two tax bands and significant increase in the number of returns in the bands above £325,000. This is consistent with the increase in average residential property prices reported by Registers of Scotland.

37% of returns received in 2022/23 had a total consideration of less than or equal to £145,000 and, therefore, had zero tax liabilities². This is the lowest proportion on record. However, **Figure 5** shows LBTT revenue is dominated by the £325,000 to £750,000 band, which in 2022/23 contributed 60% of LBTT, while making up only 16% of returns. The highest band (£750,001 and above) accounts for 1% of returns received and 23% of tax.

Figure 5: Distribution of residential LBTT revenue, excluding ADS, by residential LBTT band and year



The share of revenue contributed by the top two tax bands increased in 2020/21 due to the temporary change to the nil rate threshold, effective from 15 June 2020 to 31 March 2021, which had the effect of reducing tax liabilities in the second-lowest residential tax band (consideration from £145,000 to £250,000) to zero, and reducing gross tax liabilities for all other residential transactions by £2,100.

² Residential conveyance transactions under £145,000 can incur tax liability if they are linked.

Figure 6: Distribution of numbers of residential conveyance transactions by total consideration and tax band 2022/23 (based on effective date)

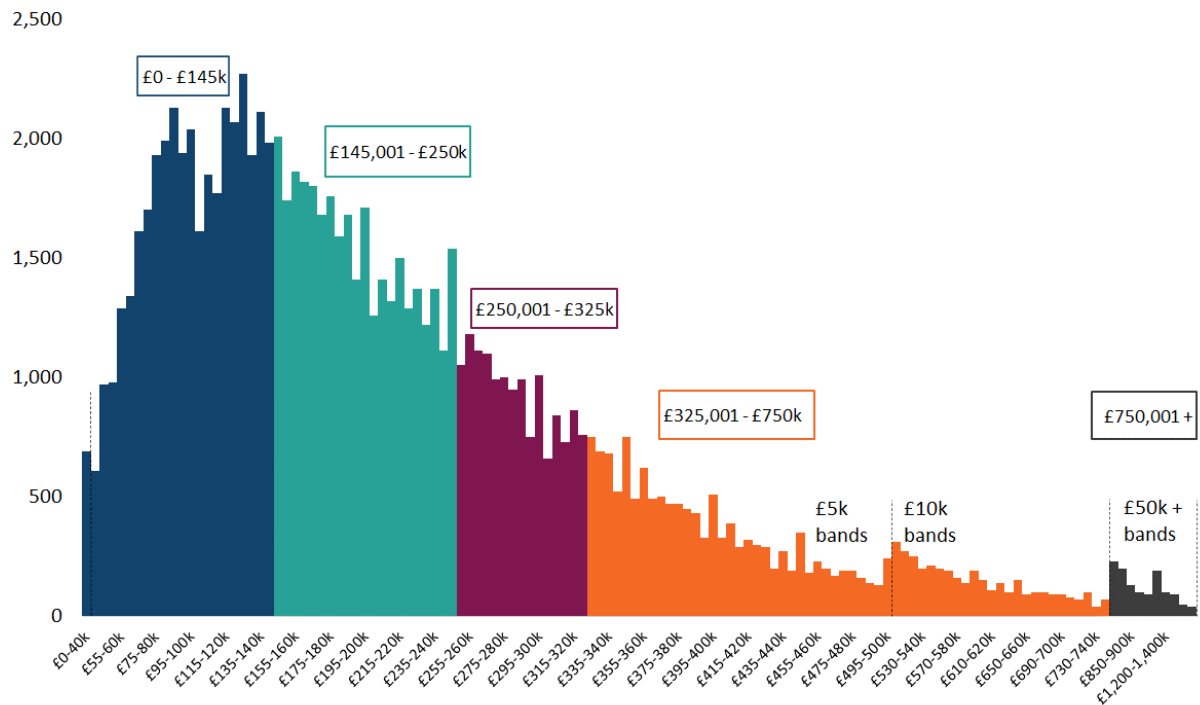


Figure 6 shows a more detailed breakdown of the number of residential conveyance transactions by total consideration (e.g. house price) for transactions that took place in 2022/23. The majority of transactions are towards the lower end of the scale (approximately two-thirds are less than or equal to £245k), with the distribution then extending to a long tail of higher value transactions. Due to the smaller numbers of transactions at the higher value end, the width of the total consideration categories is increased at the points indicated on the chart.

1.3 Additional Dwelling Supplement

If a taxpayer buys a new main residence before selling their previous main residence, or if they are buying a second home or buy-to-let property, they will have to pay Additional Dwelling Supplement (ADS). This payment can be reclaimed if the previous main residence is sold within 18 months, and the claim is made within 5 years of the submission date.

In 2022/23, ADS was charged at 4% until December 16 2022, at which point the rate was raised to 6%. Prior to January 25 2019 ADS had been charged at 3%.

Table 3: Gross ADS reclaimed and number of ADS repayments claimed for residential LBTT returns by year

Year	Gross ADS declared due (£Millions)	ADS Reclaimed (£Millions)	ADS Reclaimed (%)	LBTT returns received with ADS declared due	Repayments claimed	Repayments claimed (%)
2018/19	128.1	35.6	27.8%	23,620	4,360	18.5%
2019/20	163.5	44.1	27.0%	23,230	4,100	17.7%
2020/21	153.8	43.8	28.5%	20,790	3,820	18.4%
2021/22	188.5	44.2	23.5%	25,140	3,730	14.8%
2022/23	206.4	34.4	16.7%	24,650	2,540	10.3%

Roughly £206 million in gross ADS was declared due in 2022/23, an increase of approximately £18 million (9%) on the previous year.

The fact that a record high figure for ADS declared due was recorded in 2022/23 despite the number of returns with ADS declared due being down slightly on the previous year reflects the increase in the rate of ADS from 4% to 6% towards the end of Q3 of the financial year. The sharp increase in ADS declared due from 2018/19 to 2019/20 was due largely to the increase in the ADS rate from 3% to 4% in January 2019.

Around 10% of taxpayers who submitted LBTT returns with ADS declared due in 2022/23 have since claimed repayment of ADS, accounting for 17% of the gross ADS declared due.

The ADS reclaim rate for 2022/23 appears lower than previous years. This is to be expected as taxpayers have had less time to submit a repayment claim on more recent transactions, and the figure is likely to increase over time as more claims for repayment are made. Only minimal revisions are expected to repayment claims relating to returns made up to 2020/21.

Though taxpayers have 18 months from the effective date of the transaction to sell their previous main residence and reclaim ADS, the majority of claims for repayment are received much sooner. Taxpayers can submit repayment claim up to five years after selling their previous residence.

Table 4: Percentage of Gross ADS reclaimed and number of claims for ADS repayment received, by number of weeks following initial LBTT return

Weeks from initial return submission to repayment claim	% of Gross ADS reclaimed	% of Repayment claims received
< 4	9.7%	9.0%
< 8	24.1%	22.9%
< 12	36.2%	34.4%
< 16	45.8%	44.1%
< 20	53.7%	52.3%
< 24	59.9%	58.7%
< 28	65.0%	64.0%
< 32	69.7%	68.8%
< 36	73.5%	72.5%
< 40	76.8%	75.9%
< 44	79.7%	79.0%
< 48	82.3%	81.8%
< 52	84.9%	84.4%
< 56	86.9%	86.5%
< 60	88.5%	88.1%
< 64	90.0%	89.8%
< 68	91.5%	91.3%
< 72	93.2%	93.1%
< 76	95.1%	95.0%
< 80	96.7%	96.7%
80 or more	100.0%	100.0%

Notes:

1. The data reflects claims for repayment of ADS received up to and including 31 May 2023 and will be revised over time as more claims for repayment of ADS are received, primarily for returns received in 2021/22 and 2022/23.

Approximately 9% of ADS repayment claims are received within four weeks of the initial tax return being submitted. More than half of all claims are received within 20 weeks and approximately 84% of all claims are received within a year. The percentages are very similar for gross ADS reclaimed, as claims received and gross ADS reclaimed follow a near identical distribution.

Table 5: Number of LBTT returns received with ADS declared due and the proportion with a subsequent claim for repayment, by year and stated intention to reclaim

Financial Year	LBTT returns received with ADS declared due			Proportion with a subsequent claim for repayment		
	Yes, intend to reclaim ADS	No intention to reclaim ADS	Total	Yes, intend to reclaim ADS	No intention to reclaim ADS	All
2018/19	5,830	17,790	23,620	67.9%	2.3%	18.5%
2019/20	4,870	18,360	23,230	70.4%	4.5%	18.3%
2020/21	4,240	16,550	20,790	72.6%	4.5%	18.4%
2021/22	4,130	21,000	25,140	71.3%	3.7%	14.8%
2022/23	3,940	20,710	24,650	52.8%	2.2%	10.3%

Notes:

1. The data reflects claims for repayment of ADS received up to and including 31 May 2023 and will be revised over time as more claims for repayment of ADS are received, primarily for returns received in 2021/22 and 2022/23.

For LBTT returns submitted with ADS declared due in 2022/23, around 84% of taxpayers stated they did not intend to reclaim ADS. This is the highest percentage on record, though only slightly higher than in 2021/22.

In 2020/21 around 73% of taxpayers who stated that they intended to reclaim ADS went on to do so, the highest proportion so far. In 2021/22 this figure remained high at 71%. The proportion of taxpayers who stated no intention to reclaim ADS but subsequently went on to file a reclaim has never been higher than 4.5%.

These figures indicate that a substantial proportion (around 27% at its lowest in 2020/21) of taxpayers who stated that they intended to reclaim ADS did not subsequently do so. However, when a taxpayer had stated that they did not intend to reclaim ADS then it was very unlikely that they would go on to submit a reclaim.

Figure 7: Distribution of residential conveyances by type of transaction (ADS declared due and intends/does not intend to reclaim ADS) and residential LBTT band, 2022/23

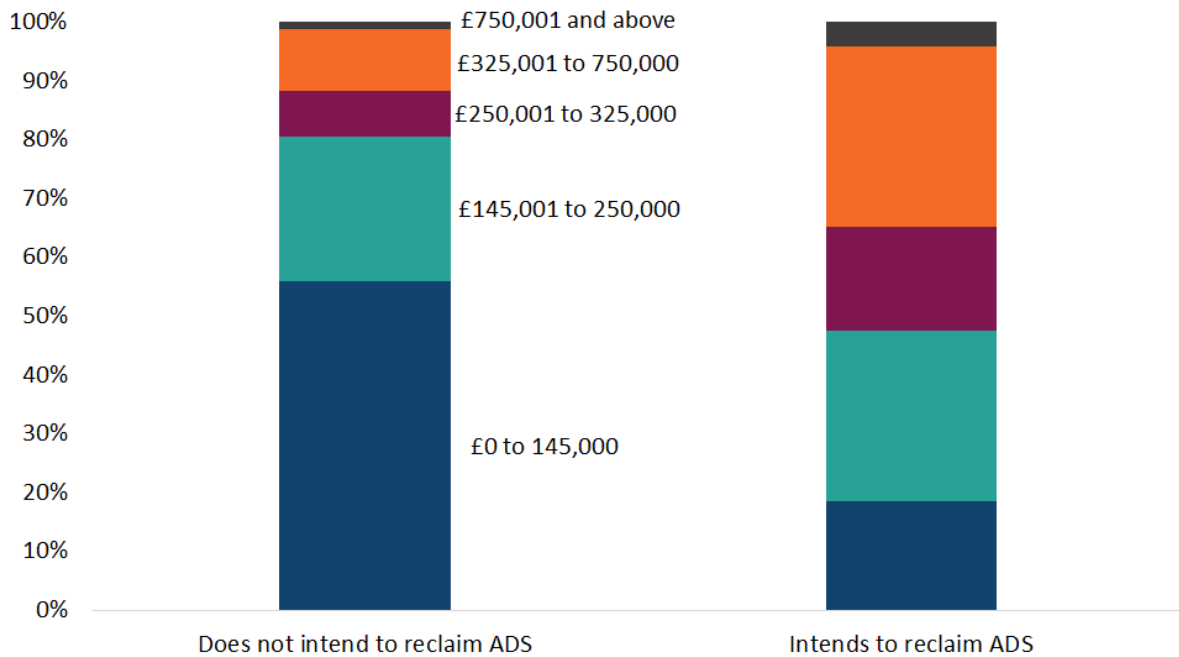


Figure 7 shows that the proportion of conveyances in the lowest tax band is three times as high for returns where the taxpayer does not intend to reclaim ADS, compared to returns where they do intend to reclaim. This likely reflects the fact that these transactions will include buy-to-let properties and second homes. Higher value transactions make up a much higher proportion of returns where the taxpayer intends to reclaim ADS. This is likely to reflect a number of factors including the fact that these transactions will include taxpayers who may be moving up the property ladder as they intend to replace their previous main residence.

1.4 Non-residential conveyances

Non-residential rates and bands for transactions on or after 25 January 2019:

Purchase price	LBTT rate
Up to £150,000	0%
£150,001 to £250,000	1%
Above £250,000	5%

Table 6: Non-residential LBTT, excluding ADS, declared due and number of returns received by year

Year	LBTT declared due (£ millions)	Annual percentage change in LBTT declared due	LBTT returns received	Annual percentage change in LBTT returns received	LBTT declared due per return received (Nearest £100)
2018/19	167.4	-5.0%	7,160	4.1%	23,400
2019/20	170.5	1.9%	6,440	-10.0%	26,500
2020/21	122.9	-27.9%	5,930	-7.9%	20,700
2021/22	223.7	82.0%	7,080	19.3%	31,600
2022/23	187.3	-16.3%	7,040	-0.5%	26,600

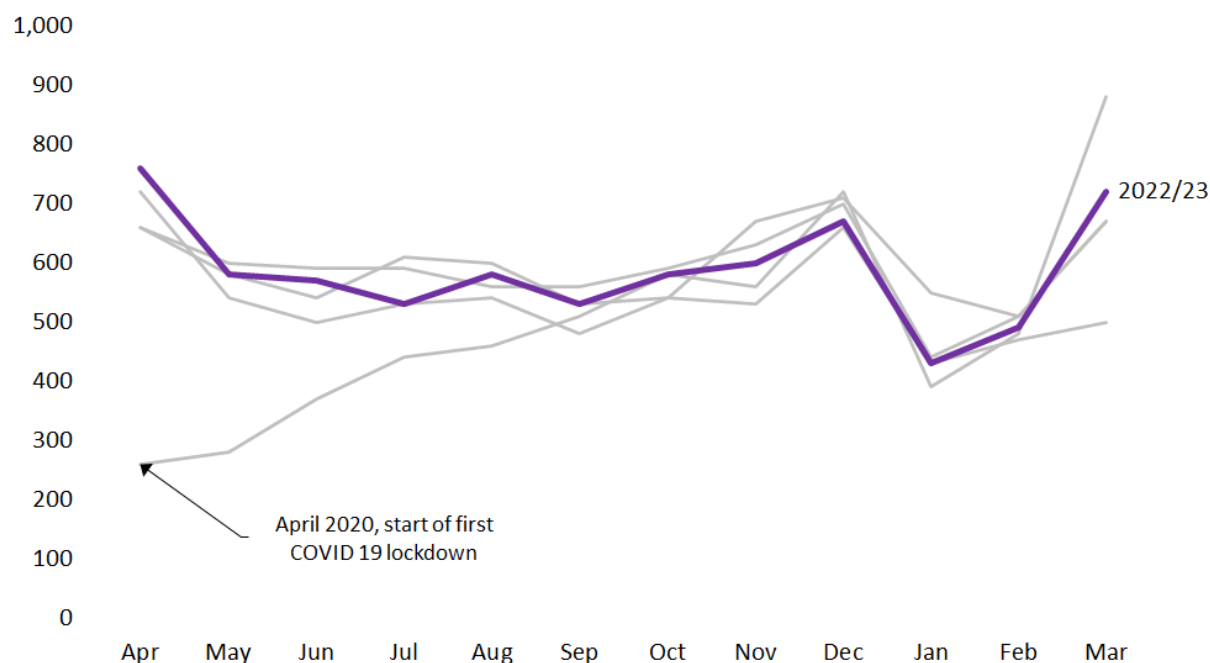
LBTT from non-residential conveyances, including ADS, was £187 million in 2022/23, a decrease of £36 million (16%) on the previous year, but the number of LBTT returns received only dropped slightly to 7,040 from 7,080 last year. The LBTT figure in 2021/22 was unusually high due to built up demand from the previous year which was impacted by the COVID 19 pandemic. Despite non-residential LBTT falling in 2022/23, the figure is still high compared to all years prior to 2021/22.

Despite only making up 6% of LBTT returns received, non-residential conveyances accounted for approximately 22% of total LBTT declared due in 2022/23. The average LBTT declared due per return fell by approximately 16% on the previous year to £26,600.

Total revenue from non-residential LBTT returns is disproportionately impacted by tax reliefs when compared to residential LBTT. This is partly responsible for the large difference between total residential LBTT revenue and non-residential LBTT revenue each year.

Compared to residential LBTT, the value of LBTT declared from non-residential conveyances can change substantially year to year, due to fluctuations in the small number of very high value transactions seen in each year.

Figure 8: Number of non-residential LBTT returns received by month and year



The distribution of non-residential LBTT returns received throughout the year is typically uniform from month to month, but with notable peaks at the end of both the calendar year and financial year. 2022/23 held true to this pattern.

Table 7: LBTT excluding ADS declared due by month and year for non-residential conveyances (£Millions)

Month	2018/19	2019/20	2020/21	2021/22	2022/23
Apr	12.6	13.4	2.6	11.6	18.9
May	12	12.8	6.3	12.9	17.7
Jun	19.8	13.5	5.5	22.6	16.7
Jul	13.5	19.7	11.5	17.3	15.4
Aug	17.2	15.3	9.7	19.3	13.1
Sep	9	14.4	9.9	13	15.2
Oct	10.6	13.5	14.7	20	13.8
Nov	15.6	8.5	12.1	15.5	19.1
Dec	17.7	17	20	31.6	20
Jan	13.7	17.8	8.4	17.3	10.8
Feb	9.9	15.6	9	21.7	9.6
Mar	15.7	9.1	13.3	21	17

Non-residential LBTT declared due is more variable than the number of LBTT returns received, because a small number of high-value transactions can have a significant impact on the overall tax. There is typically a peak in December, though the size of the peak varies from year to year. In 2022/23, non-residential LBTT was higher in November and December than in other months, but the typical December peak was not as pronounced as usual. Unlike the previous year, there was no secondary peak in June in 2022/23 as numbers steadily fell throughout the summer months.

Figure 9: Non-residential LBTT, excluding ADS declared, for the top 5% of transactions by value, per year

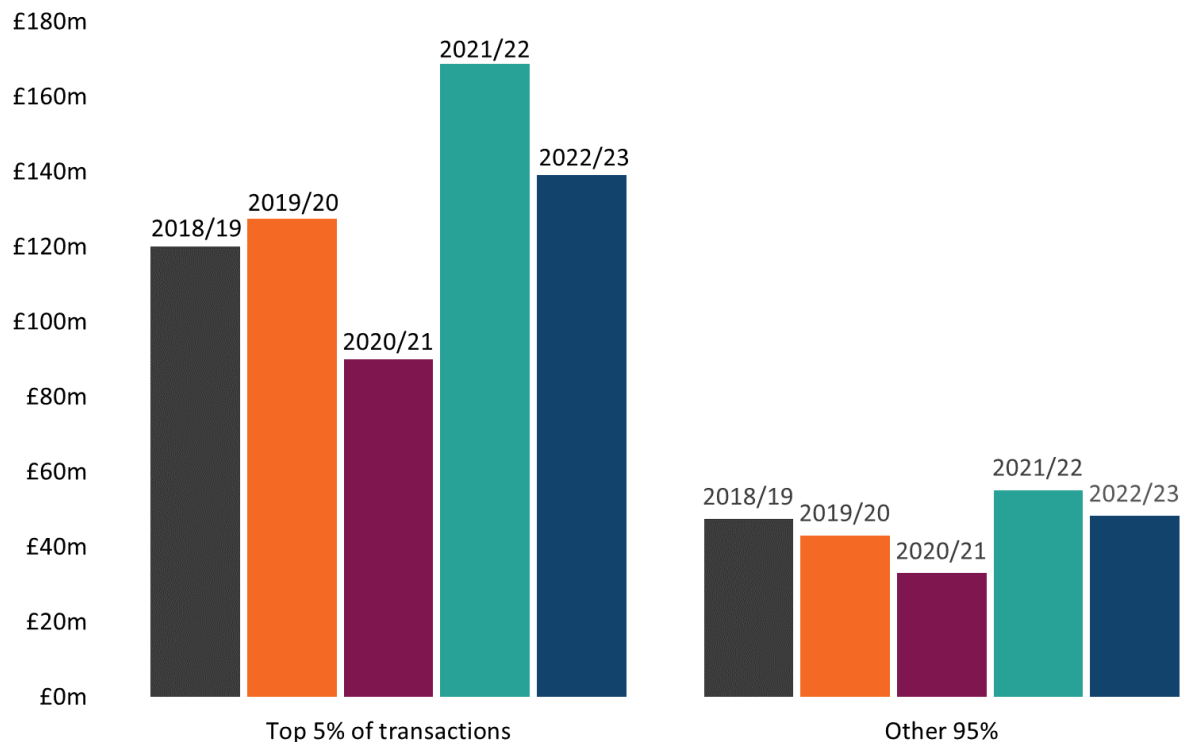


Figure 9 shows that when ranked from highest to lowest transaction value (purchase price), the top 5% of non-residential returns account for the vast majority of LBTT due. In 2022/23 the top 5% most valuable transactions made up 74% of non-residential LBTT due. Total non-residential LBTT is generally highly dependent on higher value transactions, with 96% of LBTT coming from the top 20% most valuable non-residential transactions in 2022/23. In fact, the entire lower half of non-residential LBTT returns ranked by value, accounted for less than 0.1% of the total non-residential LBTT declared due.

LBTT declared due for the top 5% most valuable non-residential transactions varies from year to year, with these variations accounting for the majority of the change in non-residential LBTT declared due. LBTT declared due for the top 5% of transactions decreased by 17% in 2022/23 compared to the previous year, corresponding to a 16% decrease in total non-residential LBTT.

1.5 Leases

A non-residential lease that is granted, or is treated as having been granted, for the first time on or after 1 April 2015 is potentially chargeable to Land and Building Transactions Tax.

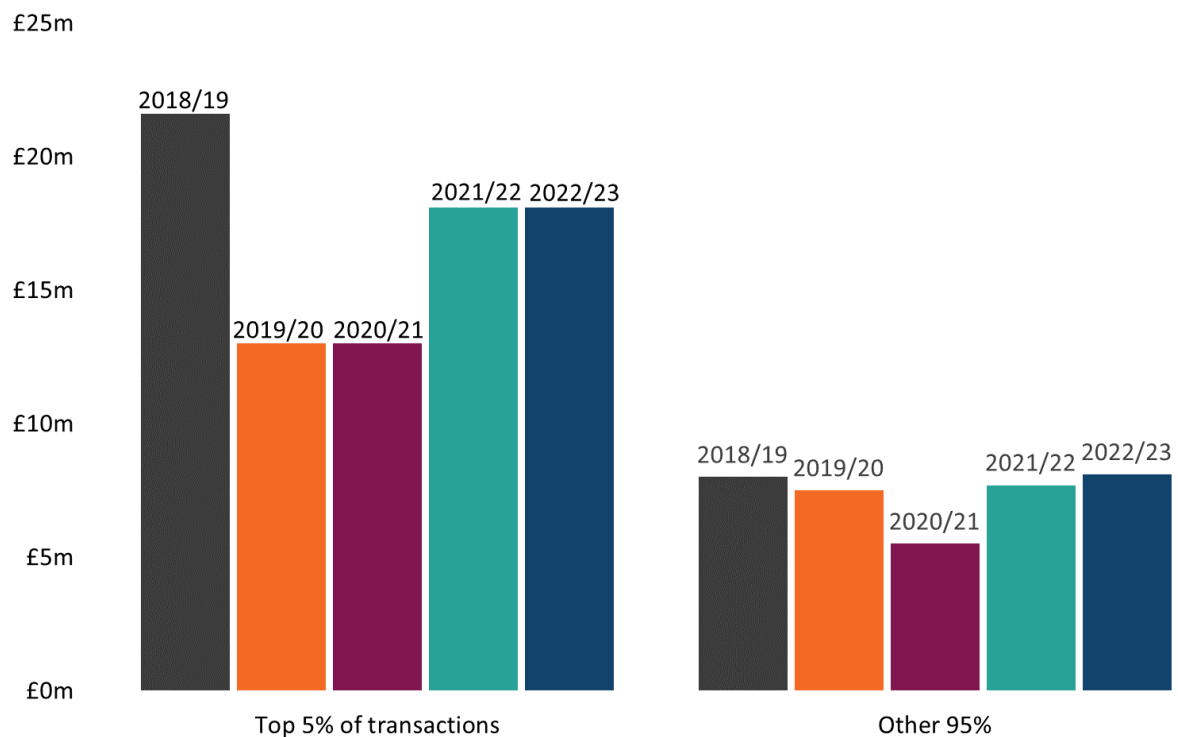
99% of leases are non-residential, but analysis in this section includes a small number of leases which taxpayers have classified as residential, perhaps mistakenly. However, the overall tax position remains correct as the LBTT due for a lease is the same whether it is residential or non-residential.

Table 8: LBTT declared due and number of LBTT returns received by year for leases

Year	LBTT declared due (£ millions)	Annual percentage change in LBTT declared due	LBTT returns received	Annual percentage change in LBTT returns received	LBTT declared due per return received (Nearest £100)
2018/19	29.4	16.8%	5,130	-7.9%	5,700
2019/20	20.4	-30.5%	4,920	-4.1%	4,100
2020/21	18.5	-9.2%	3,500	-28.9%	5,300
2021/22	25.8	40.1%	4,540	30.3%	5,700
2022/23	26.2	1.2%	4,620	1.7%	5,700

£26 million in LBTT was declared due for leases in 2022/23, accounting for 3% of total LBTT declared. Both the number of lease returns received and the total LBTT due from leases remained fairly steady in comparison to 2021/22, with both figures increasing only slightly. The mean amount of LBTT due per lease return also remained consistent, the figure being roughly £5,700 for both 2022/23 and 2021/22.

Figure 10: LBTT declared due for top 5% of lease transactions by value, per year



When lease returns received in 2022/23 were ranked in order from highest to lowest total consideration (cost of the lease), the top 5% of leases made up 69% of the total LBTT declared due on leases. Like non-residential conveyances, the distribution of LBTT from leases in general is heavily skewed towards the most valuable transactions, with 91% of total lease LBTT coming from the top 20% of transactions.

LBTT for leases may be due on the net present value of rent, as well as payment of a premium to secure the lease. 95% of all LBTT declared due on leases in 2022/23 was due to rent, with the remaining 5% due to premiums. LBTT due on premiums is dominated by a small number of large premiums over £350,000. LBTT due on the rental value of leases is more widespread, with 59% of lease returns declaring some amount of LBTT due on rent in 2022/23.

1.6 Reviews of the tax chargeable for a lease

Reviews of a lease include:

- Three-yearly reviews, which inform Revenue Scotland of any changes which have occurred since the effective date or previous review date. Tax chargeable on the lease is reviewed and the new Net Present Value is calculated when the review is submitted.
- Assignations: when a lease is assigned to a new tenant, the outgoing tenant must submit a review within 30 days of the lease being signed, including an assessment of the amount of tax chargeable reflecting any changes since the last return was submitted.
- Terminations: When a lease is terminated, the tenant at the point of termination must submit a return to Revenue Scotland, including an assessment of the amount of tax chargeable reflecting any changes since the last return was submitted.

The first six-year reviews became due from 1 April 2021 and make up part of the three-year review figures for this year.

Table 9: LBTT declared due and number of returns received for reviews, by year

Year	Lease Reviews declaring an Increase in LBTT due	LBTT declared due on Lease Reviews (£Millions)	Lease Reviews declaring a decrease in LBTT due	Repayments to taxpayer declared due on Lease Reviews (£Millions)	Lease Reviews declaring no change in LBTT due	Total Lease Reviews received	Net LBTT due on Lease Reviews (£Millions)
2018/19	450	1.0	310	-1.0	3,460	4,220	0.0
2019/20	630	1.3	350	-0.8	3,580	4,570	0.6
2020/21	440	0.9	320	-0.8	2,130	2,900	0.0
2021/22	890	1.9	600	-1.4	3,090	4,580	0.5
2022/23	890	2.6	560	-1.6	3,270	4,720	1.0

Reviews of a lease accounted for approximately £1m of LBTT declared due in 2022/23. This makes up roughly 0.1% of total LBTT for the year.

Approximately 4,720 reviews of a lease were received in 2022/23, of which 69% declared no change in the LBTT due from the original lease return (meaning LBTT declared due on review was £0). 19% declared further LBTT due and 12% claimed a repayment of LBTT.

In 2018/19, 11% of lease reviews declared further LBTT due to be paid. This percentage rose each year until it reached 19% in 2021/22, then stayed at this level in 2022/23. Likewise, the percentage of lease reviews declaring a repayment of LBTT due to the taxpayer rose each year from 7% in 2018/19 to 13% in 2021/22, then dropping slightly to 12% in the past year.

In the past year, almost one in three reviews of a lease resulted in a change to the amount of LBTT due on the lease. In 2018/19, fewer than one in five reviews resulted in any change to the LBTT due.

1.7 Sub-Scotland

This section contains breakdowns of LBTT data at local authority level, as well as by ITL 2 ([International Territorial Level](#)). The figures here are referred to as estimates, due to the fact that location data for a proportion of LBTT returns has been imputed. This is necessary as we use the postcode stated on LBTT returns to assign them to higher geographies and not all LBTT returns are submitted with a valid postcode, primarily non-residential returns.

In 2022/23, 98% of residential LBTT returns and 69% of non-residential returns contained a valid postcode.

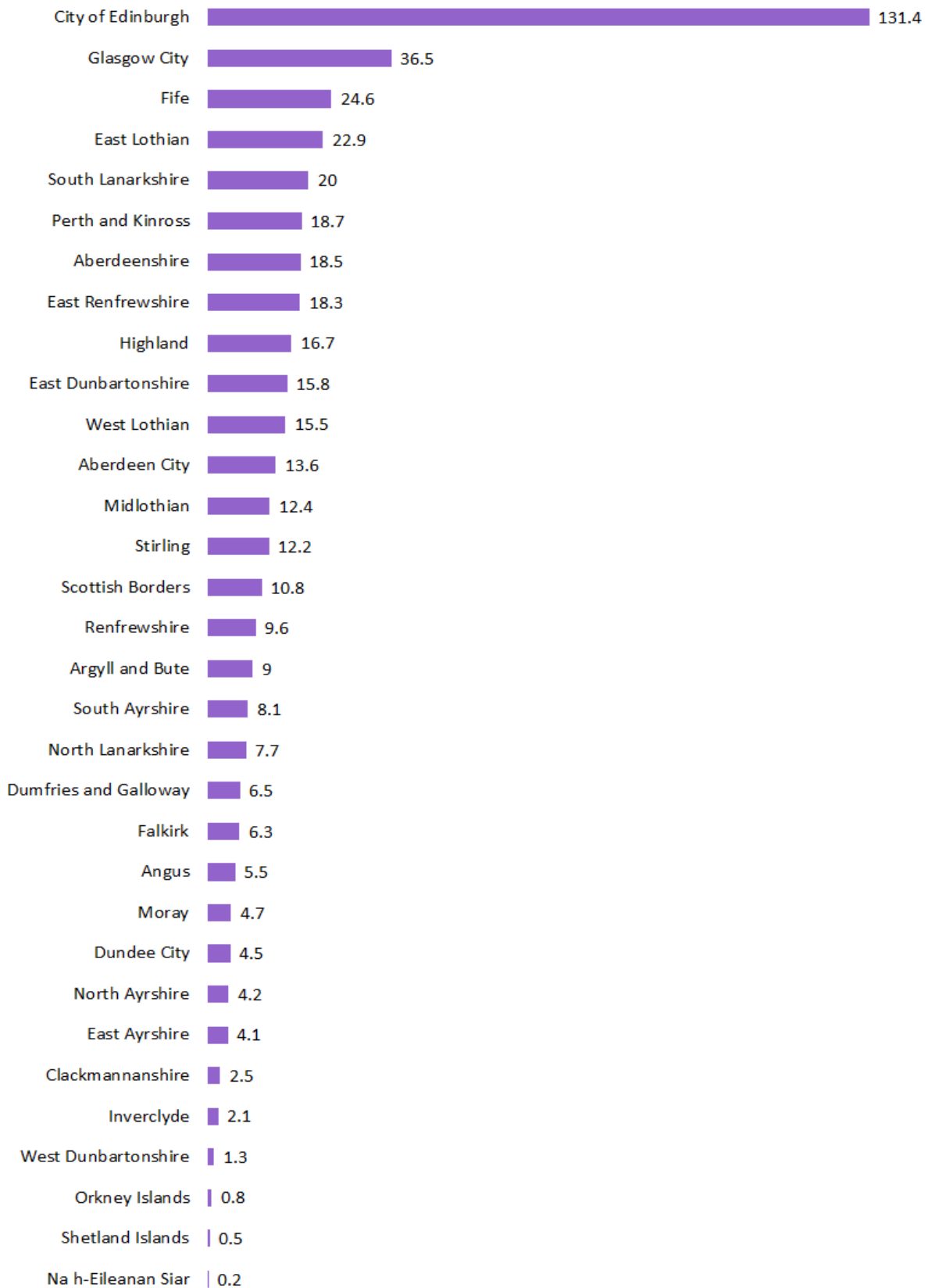
In order to improve the completeness of our address data, we match records without a valid postcode to data provided by Registers of Scotland and link on the postcode recorded alongside the title registration. If we cannot find a postcode using this method, we find a “donor” record which is similar to our incomplete “recipient” record, based on information on the LBTT return, and use this to impute geographical information.

This method provides robust estimates for residential and non-residential conveyances. The estimates for residential conveyances are more reliable because residential conveyance returns are more likely to include a valid postcode and more likely to match to a title registered with Registers of Scotland.

For the estimates presented here of returns submitted in 2022/23, location was imputed using the donor method for less than 1% of residential returns and 13% of non-residential returns.

1.7.1 Sub-Scotland: Residential LBTT

Figure 11: Estimates of LBTT declared due, excluding ADS, for residential conveyances by local authority, 2022/23 (£Millions)



In 2022/23, City of Edinburgh accounted for £131.4 million (28%) of residential LBTT declared due, excluding ADS, by far the biggest contribution from a single council area. Next highest was Glasgow City, making up 8% of total residential LBTT at £36.5 million. City of Edinburgh has accounted for 30% to 34% of LBTT revenue, excluding ADS, each year since 2015/16. No other local authority has ever accounted for more than 9%.

The 3 local authorities with the highest mean LBTT declared due per transaction for residential returns were:

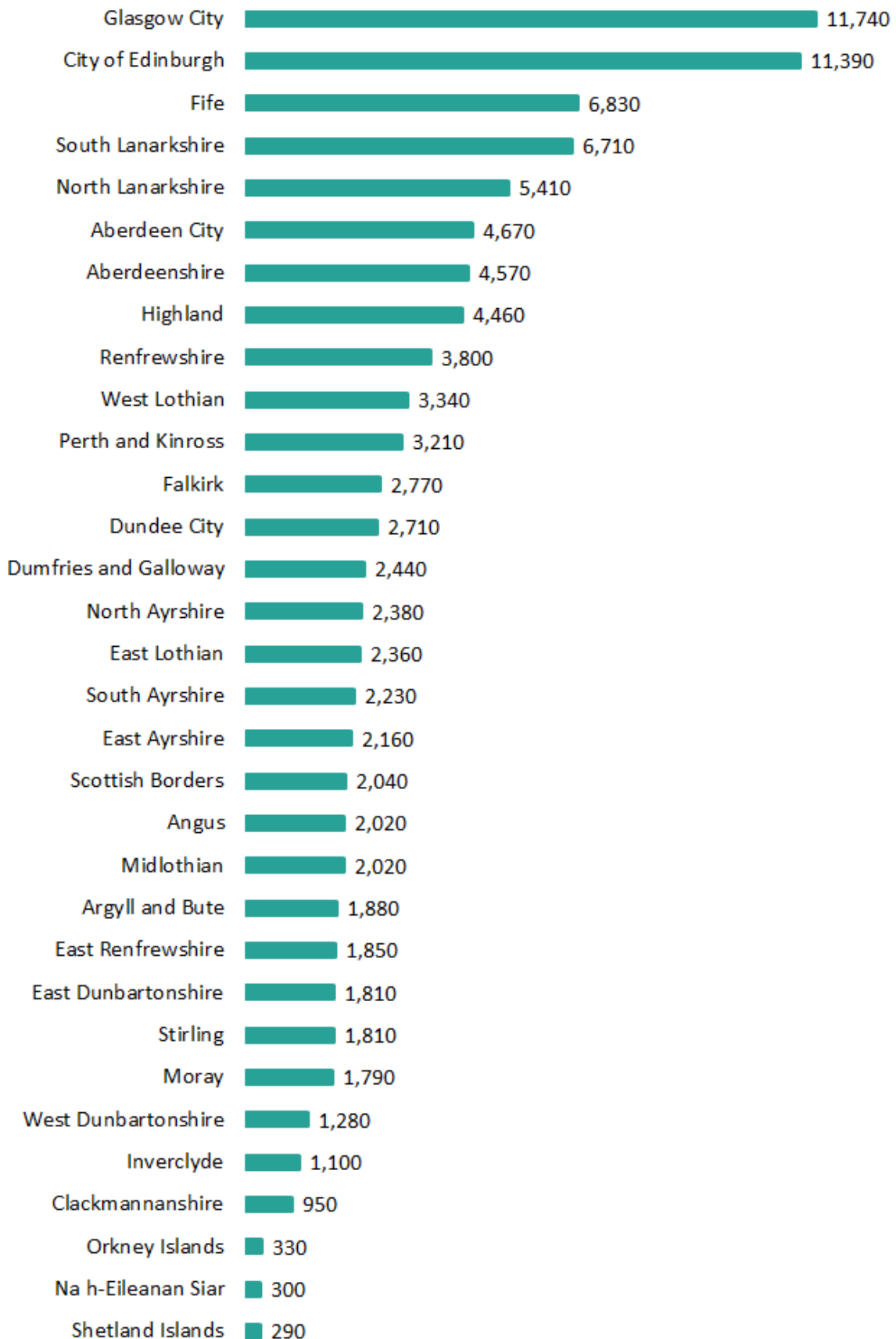
- City of Edinburgh at £11,500
- East Renfrewshire at £9,900 and
- East Lothian at £9,700.

The lowest averages were for:

- Na h-Eileanan Siar at around £800
- West Dunbartonshire at £1,000 and
- North Lanarkshire at £1,400.

From 2021/22 to 2022/23, LBTT revenues increased in 26 of the 32 local authorities. City of Edinburgh saw the largest absolute increase with a rise of £7 million (5%), while the largest percentage increase occurred in Shetland Islands where residential LBTT was up 47% (from approximately £0.35 million to £0.5 million). The largest percentage decrease on the previous year was in Na h-Eileanan Siar, which saw 34% less residential LBTT declared than in 2021/22.

Figure 12: Estimated number of residential conveyance returns received by local authority



Glasgow City had the most residential conveyance returns received in 2022/23 with 11,740 returns (11% of the total), just ahead of City of Edinburgh with 11,390 returns (11%).

Numbers of residential conveyances decreased in 29 of 32 local authorities from 2021/22 to 2022/23, with only three local authorities seeing more residential LBTT returns received than last year.

The council areas which saw an increase in residential returns were:

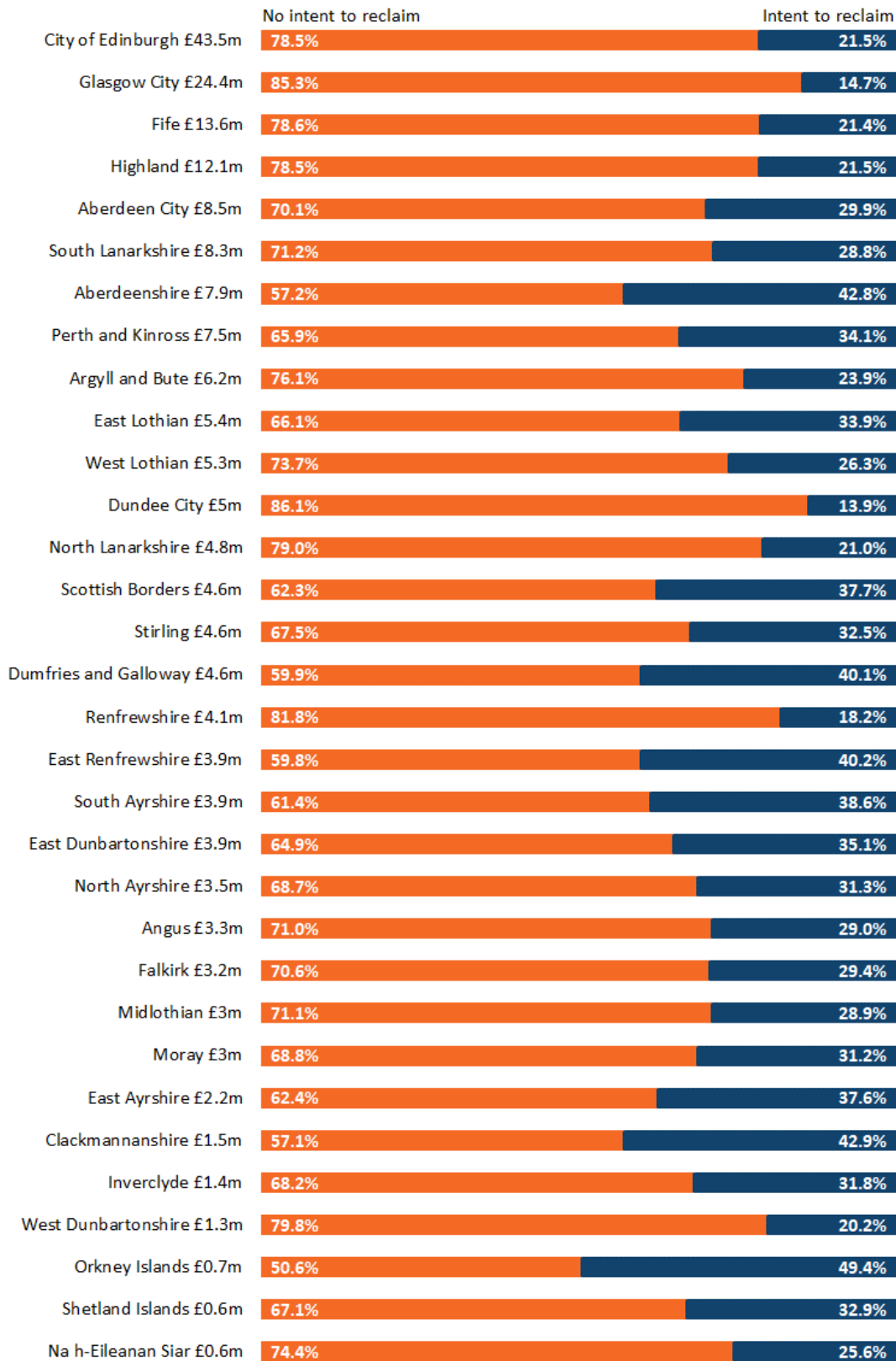
- East Lothian with an increase of 3%
- Stirling with an increase of 2%
- East Dunbartonshire with an increase of 1%.

The council areas with the largest percentage decrease in number of returns on the previous year were:

- Na h-Eileanan Siar with a decrease of 31%
- Orkney Islands with a decrease of 20%
- Angus with a decrease of 19%.

1.7.2 Sub-Scotland: Additional Dwelling Supplement

Figure 13: Estimates of gross residential ADS declared due (£Millions) by local authority and percentage which is intended to be reclaimed by taxpayer, 2022/23



City of Edinburgh accounted for 21% of gross ADS declared due in 2022/23 with around £43 million, an increase of £2 million on the previous year. Glasgow City accounted for the second-largest share of ADS, making up 12% of the total with £24 million. Edinburgh tends to dominate LBTT excluding ADS (28% of total) more than gross ADS. This is because the ADS rate is flat whereas the LBTT rate is progressive, meaning the effective tax rate increases with total consideration.

The council area with the highest proportion of gross ADS coming from taxpayers who don't intend to reclaim it was Dundee City at 86%. This figure was lowest in Orkney Islands at 51%.

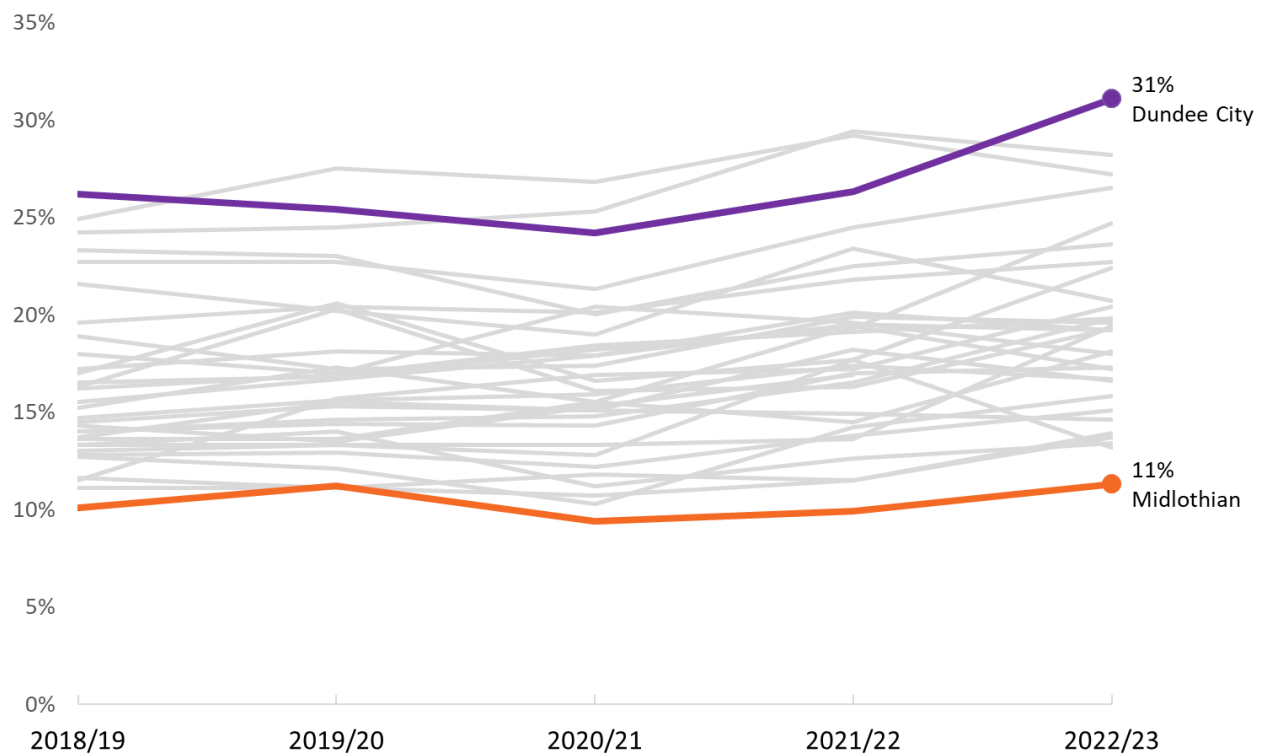
The council areas with the greatest number of returns with ADS declared due were:

- Glasgow City with 3,360
- City of Edinburgh with 3,110
- Fife with 1,600.

At 93%, Dundee City also had the highest proportion of returns where the stated intention was to not reclaim ADS. The lowest figure was for Orkney Islands, where 54% of returns stated no intention to reclaim ADS.

1.7.3 Sub-Scotland: Residential conveyances not replacing a main residence

Figure 14: Estimates of the percentage (%) of all residential conveyance returns received where the taxpayer did not intend to reclaim ADS declared due, by local authority and year



The data shown in **Figure 14** is an indicative measure of the percentage of all residential conveyances where the taxpayer is purchasing an additional property (e.g. buy-to-let dwelling or a second home) rather than replacing their main residence. In 2022/23 this was highest in Dundee City at 31.1%.

The lowest figure was in Midlothian, where only 11% of residential LBTT returns declared ADS due, which the taxpayer did not intend to reclaim. Midlothian has been lowest in four of the past five years.

For the council areas with the highest numbers of residential returns, the figures were:

- Glasgow City: 27%
- City of Edinburgh: 24%
- Fife: 20%

1.7.4 Sub-Scotland: Residential tax bands

Figure 15: Distributions of residential LBTT returns by local authority and tax band, 2022/23

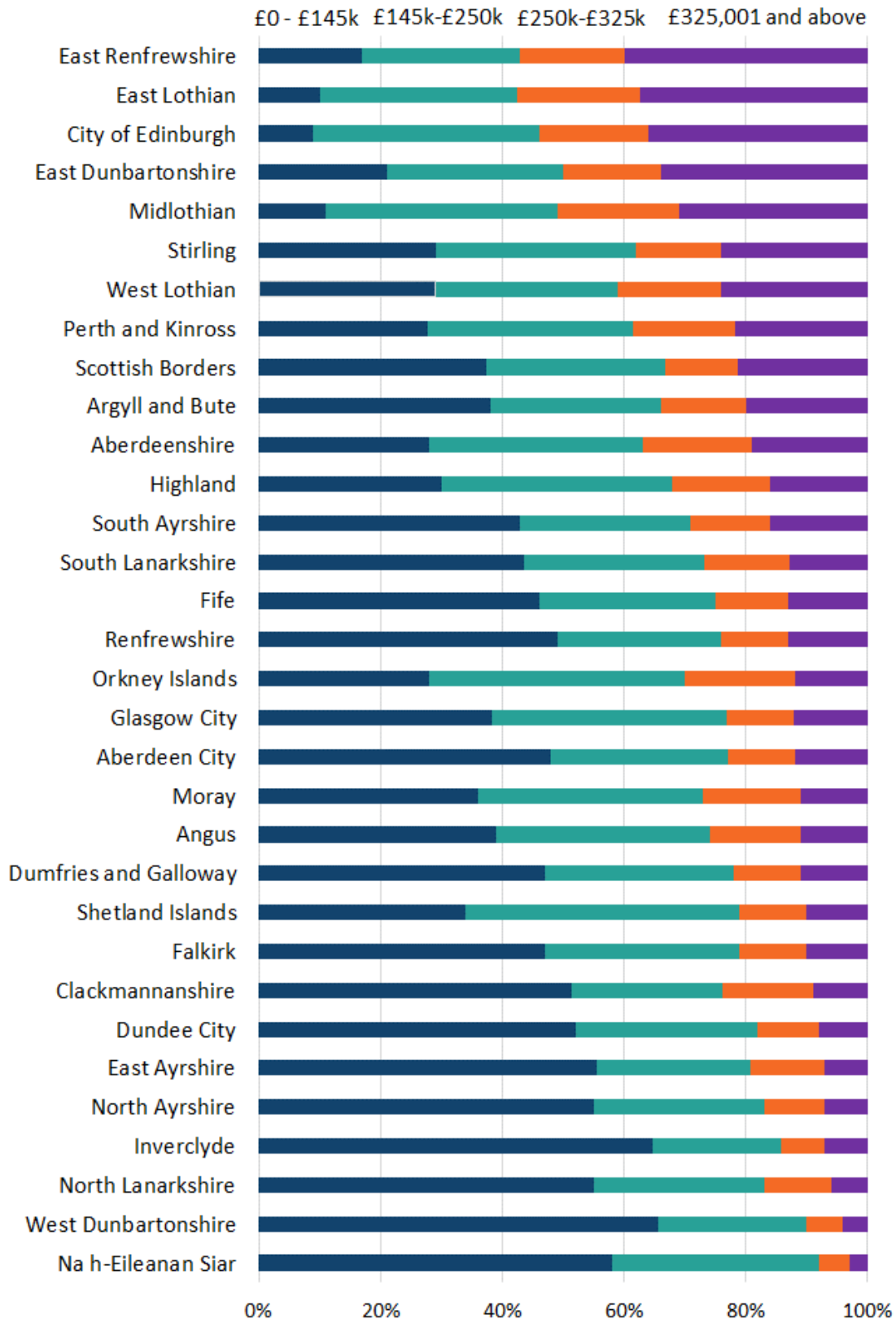


Figure 15 shows the distribution of residential transactions by tax band, with the top two bands (£325,000 to £750,000 and £750,000 and above) combined to protect taxpayer confidentiality.

The council areas with the highest proportion of returns in the top grouped (£325k +) band were:

- East Renfrewshire at 40%
- East Lothian at 37%
- City of Edinburgh at 36%

One in 20 residential returns in City of Edinburgh fell into the highest underlying tax band (£750k+). These 580 returns accounted for nearly half of the 1,240 total returns within the £750k+ tax band in Scotland. East Lothian had the lowest proportion of residential returns in the bottom two tax bands combined (42%).

West Dunbartonshire had the highest proportion (65%) of transactions in the nil rate tax band (£0-145k). For 8 of the 32 local authorities, more than half of transactions fell into the nil-rate tax band. This is down from 11 in the previous year. A total of 37% of all residential transactions in Scotland fell into the nil-rate band, with 17% falling into the combined top two bands (£325k+).

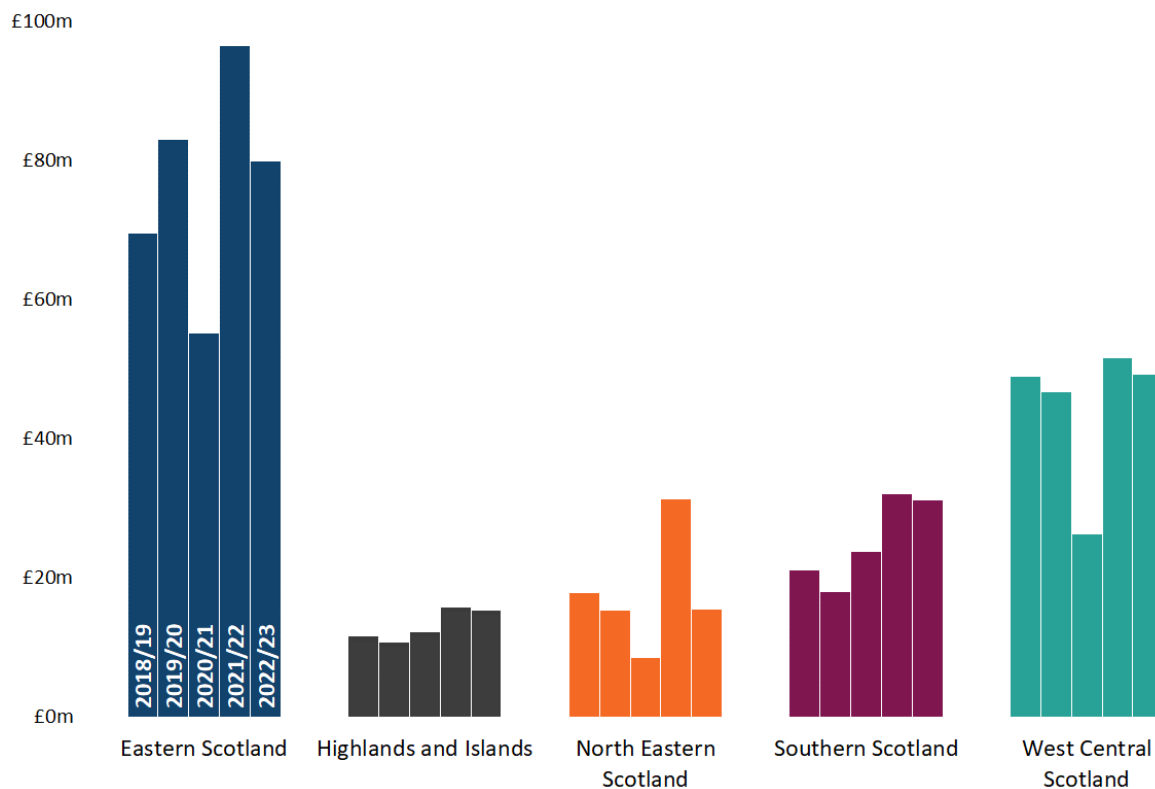
1.7.5 Sub-Scotland: Non-residential conveyances

Sub-Scotland LBTT data is analysed by ITL 2 areas instead of local authorities for non residential returns, to minimise the risk of disclosing protected taxpayer information.

ITL stands for International Territorial Levels which are geographical areas used in UK statistics. These areas are currently identical to the European Nomenclature of Units for Territorial Statistics which were used in previous versions of this publication.

Scotland is divided into five of these units, mainly by grouping together Council Areas. These five areas are: Highlands and Islands, North Eastern Scotland, Eastern Scotland, West Central Scotland, and Southern Scotland.

Figure 16: Estimates of non-residential LBTT declared due by ITL 2 area and year



Eastern Scotland consistently makes up the largest share of non-residential LBTT declared due, accounting for £80 million (42%) in 2022/23. The highest number of returns also comes from Eastern Scotland at 2,400 (34%).

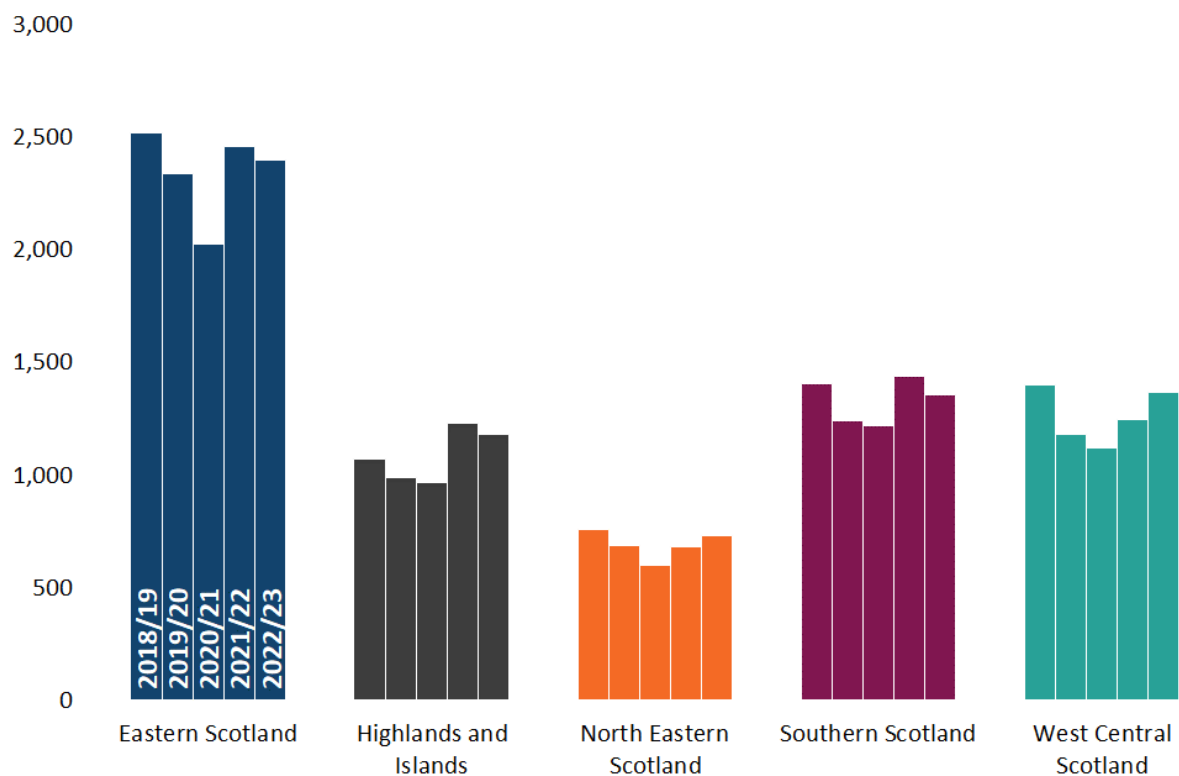
All ITL 2 areas saw decreases in non-residential LBTT in 2022/23 compared with the previous year. West Central Scotland, Southern Scotland and Highlands and Islands saw fairly small reductions in comparison to North Eastern Scotland which saw a 51% drop, and Eastern Scotland which fell by 17%.

The number of non-residential returns received overall was very similar to last year, with a figure of 7,040 this year, compared to 7,050 last year. Western Scotland saw 9% fewer returns compared with 2021/22 and North Eastern Scotland saw a drop of 7%, while the other ITL 2 areas saw slight increases.

Southern Scotland and Highlands and Islands saw more gradual increases and did not experience the dip in 2020/21.

The significant drop in LBTT in North Eastern Scotland and Eastern Scotland despite relatively stable numbers of returns compared with the previous year reflects the fact that for non-residential LBTT, a small number of very high value transactions can greatly affect the total LBTT due. For this reason, care should be taken when interpreting annual trends in non-residential LBTT by ITL 2 area.

Figure 17: Estimated number of non-residential returns by ITL 2 area and year



1.8 LBTT Reliefs

There are a number of tax reliefs which provide whole or partial relief from LBTT. Common reliefs include:

- First-Time Buyer relief, which currently relieves LBTT on the first £175,000 of the consideration payable for first time buyers, subject to conditions.
- Charities relief, where the buyer in a land transaction is a charity and certain conditions are met.
- Group relief, where at the effective date of a land transaction the seller and buyer are both companies in the same group.

Table 10: Estimated LBTT revenue forgone to reliefs and number of LBTT returns received in which some LBTT revenue has been forgone to reliefs, by year (combined Residential and Non-Residential)

Year	LBTT revenue excluding ADS forgone (£Millions)	ADS revenue forgone (£Millions)	All revenue forgone (£Millions)	Returns in which some LBTT excluding ADS was forgone to relief	Returns in which some ADS revenue was forgone to relief	All returns in which some revenue was forgone to relief*
2018/19	122.4	4.3	126.7	9,940	310	10,020
2019/20	106.2	5.7	111.9	15,390	410	15,530
2020/21	100.8	3.6	104.4	3,020	240	3,030
2021/22	127.0	5.3	132.3	17,680	310	17,710
2022/23	102.1	13.2	115.3	17,600	870	17,850

*This column is not the sum of the two preceding columns. Some returns may have relief on the LBTT and ADS, so they are only counted once in this column.

Due to known data quality issues with reliefs information collected from LBTT returns, figures in this section are presented as estimates. These issues only impact a small number of returns and the total figure for LBTT foregone to reliefs is not affected. Further information is available in [Appendix C](#).

It is estimated that £115 million of LBTT revenue was forgone to reliefs in 2022/23, which represents a £17 million (13%) decrease on the previous year. In the same period, total LBTT declared increased 5% and the total number of returns received was down by 6% (see Overview Section of this publication). The number of returns received where some LBTT was foregone to reliefs increased by just 1%.

Roughly 15% of all LBTT returns had some LBTT revenue foregone to reliefs in 2022/23, up from 14% in 2021/22. This continues the upward trend year on year for the percentage of LBTT returns with some LBTT foregone to reliefs, excluding 2020/21 when there was a temporary pause on First Time Buyer Relief.

ADS foregone to relief rose by almost £8 million (149%) in 2022/23, while the number of returns in which some ADS was foregone to relief increased by 181%. The three reliefs which account for the majority of both of these increases are:

- Relief for certain acquisitions of residential property
- Charities relief
- Relief for certain acquisitions by registered social landlords.

Detailed explanations of these reliefs are available on the [relief section](#) of the Revenue Scotland website.

It is important to note that a small number of very high value reliefs can have a significant impact on the overall total figure, and cause year to year fluctuations.

First-time buyer relief was introduced in 2018, and largely accounts for the sharp increase in the number of returns with LBTT foregone to relief between 2018/19 and 2019/20. The steep decline in 2020/21 can be mostly attributed to the temporary increase in the nil-rate tax band. During this period, a large number of transactions which normally would have qualified for first time buyers relief, simply had no LBTT due, making the relief temporarily redundant.

Table 11: Estimated LBTT revenue foregone to reliefs and number of LBTT returns received in which some LBTT revenue has been foregone to reliefs by type of property and year

Year	LBTT foregone (£ millions)			Number of LBTT returns in which some LBTT revenue has been foregone to reliefs		
	Residential	Non-residential	All	Residential	Non-residential	All
2018/19	15.9	110.8	126.7	9,180	840	10,020
2019/20	17.3	94.6	111.9	14,740	790	15,530
2020/21	16.2	88.2	104.4	2,310	730	3,030
2021/22	35.5	96.8	132.3	16,950	760	17,710
2022/23	24.4	90.9	115.3	17,010	840	17,850

Approximately 17% of residential returns in 2022/23 had some LBTT foregone to reliefs and 12% of non-residential returns claimed some form of relief.

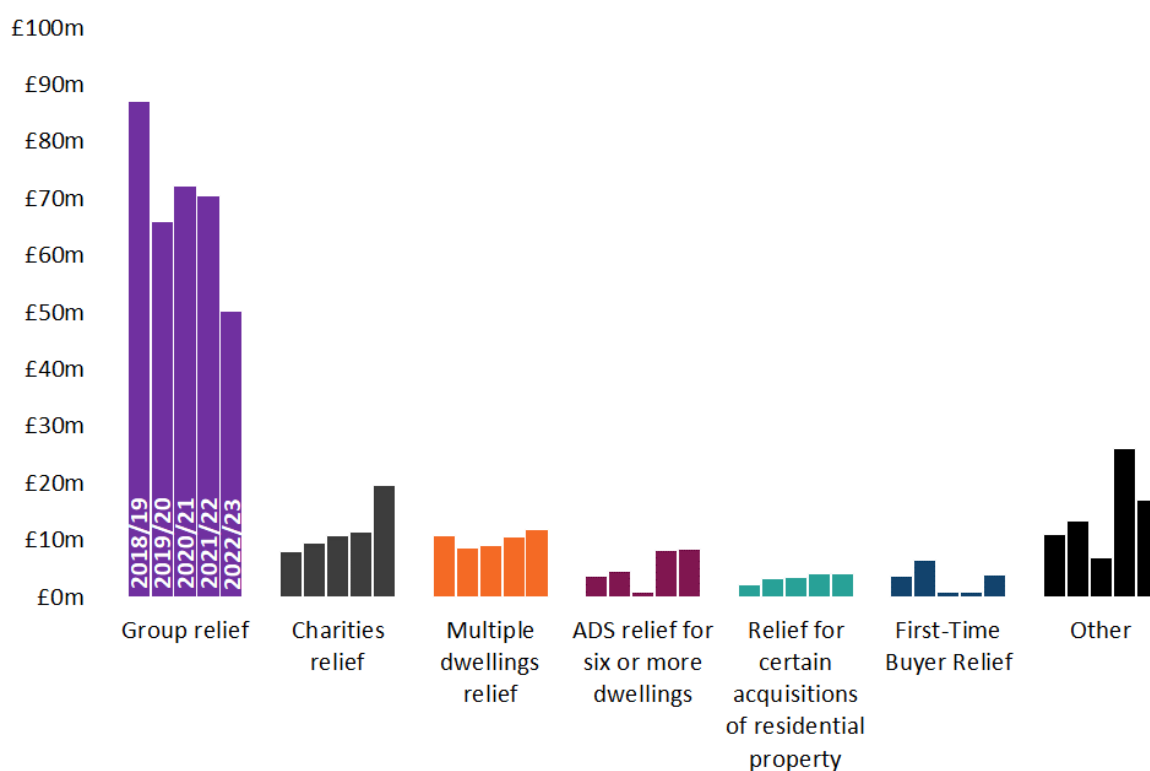
Residential returns made up 95% of returns in which some LBTT was foregone to reliefs in 2022/23. However, non-residential returns made up the majority of the total value of LBTT foregone to reliefs (79%).

First-Time Buyer Relief

First-Time Buyer Relief accounted for 91% of returns received in which some LBTT revenue was forgone to relief in 2022/23. Every year since its introduction, aside from in 2020/21, when there was a temporary increase to the nil-rate tax band, First-Time Buyer Relief has made up the majority of claims for relief.

Despite accounting for the vast majority of claims for relief, Figure 19 shows that First-Time Buyer relief accounts for only a small portion of the estimated LBTT revenue foregone to reliefs. This is because First-Time Buyer relief provides a maximum of £600 relief from LBTT per transaction, as it only applies to the first £175,000 of the consideration. This is unlike other relief types which can relieve the entire tax liability of potentially much larger transactions

Figure 18: Estimated LBTT revenue forgone to reliefs by type of relief and year



Group relief typically makes up the majority of LBTT forgone to reliefs, accounting for 44% in 2022/23. Changes in the total reliefs are largely driven by changes in group relief. Group relief provides relief from LBTT where the seller and buyer are both companies in the same group. Where certain rules are met, this allows companies to move property within a corporate group structure without a liability for LBTT being incurred.

The second highest proportion of LBTT forgone to relief (17%) came from Charities relief. The third highest proportion (15%) came from Other reliefs, which groups together all reliefs outside the six biggest single contributors. More information about these reliefs can be found on the Revenue Scotland website. As with residential reliefs, a small number of high value transactions can have a significant impact on the total in this category.

2. Scottish Landfill Tax (SLfT)

Scottish Landfill Tax (SLfT) is a tax on the disposal of waste to a landfill in Scotland, whether to an authorised landfill site or not. SLfT applies to all taxable disposals made in Scotland on or after 1 April 2015.

SLfT is chargeable by weight and there are currently two rates for taxable disposals:

- The lower rate, which in 2022/23 was £3.15 per tonne, which applies to those less polluting wastes listed in [The Scottish Landfill Tax \(Qualifying Material\) Order 2016](#)
- The standard rate, which in 2022/23 was £98.60 per tonne, which applies to all other taxable waste.

Figure 19: Tonnage of taxable disposals, by rate and year



Standard rate disposals of 1.18 million tonnes were declared in 2022/23, a decrease of 10% on the previous year. Lower rate disposals increased by 1%. Total tonnage is down 6%, which may indicate a return to the trend of decreasing tonnage year on year which was observed each year prior to 2021/22, which saw an increase in tonnage, largely due to facilities returning to normal disposal activities after the previous year was affected by the COVID-19 pandemic.

Table 12: SLfT declared due, contributions to the Scottish Landfill Communities Fund (SLCF) and credits claimed by year

Year	£ millions							
	Gross SLfT due			Contributions to SLCF	Credit claimed for			Net SLfT declared due
	Standard rate disposals	Lower rate disposals	All		Contributions to SLCF ¹	Other ²	All	
2018/19	146.8	2.1	148.9	8.0	7.2	0.4	7.6	141.3
2019/20	122.7	2.0	124.7	6.3	5.7	0.5	6.2	118.6
2020/21	110.2	1.9	112.0	5.2	4.9	0.9	5.8	106.3
2021/22	126.9	2.1	129.0	6.3	5.7	1.7	7.4	121.7
2022/23	116.3	2.2	118.4	6.1	5.5	2.9	8.4	110.1

Notes:

1. Taxpayers can claim a credit equal to 90 percent of their contribution to the SLCF.
2. Credit claimed for bad debt and permanent removals.

Net SLfT declared due was £110 million in 2022/23, a 10% decrease on the previous year. The long-term decrease in net SLfT before 2021/22 is mainly due to standard rate disposal tonnages decreasing faster than the standard rate of tax has increased.

Standard rate disposals account for the vast majority of SLfT due, making up 98% in 2022/23. Though typically the tonnages are only about twice as high as lower rate disposals, the tax rate is around 32 times higher.

Net SLfT declared due is mainly dependent on standard rate disposals, lower rate disposals and contributions to the Scottish Landfill Communities Fund (SLCF). The SLCF is a tax credit scheme for SLfT which allows landfill site operators to contribute tax credits to benefit community and environmental projects.

Table 13: Proportion of gross SLfT declared due by EWC code and year

EWC code	Description	Estimated proportion of total gross SLfT declared due				
		2018/19	2019/20	2020/21	2021/22	2022/23
20 03 01	Mixed municipal waste	58.6%	46.3%	52.0%	49.1%	57.9%
19 12 12	Other wastes (including mixtures of materials) from mechanical treatment of wastes other than those mentioned in 19 12 11	28.7%	35.3%	34.2%	35.3%	29.1%
Other or unknown		12.7%	18.4%	13.8%	15.6%	13.0%

European Waste Catalogue (EWC) codes are a coding system used to describe and categorise waste. Mixed municipal waste the most prevalent waste type, contributing around 58% of SLfT revenue in 2022/23. A further 29% was attributable to disposals of EWC code 19 12 12 – other wastes. Disposals of these two waste streams have accounted for the majority of gross SLfT declared due each year.

Note that as EWC code 19 12 12 constitutes waste “from the mechanical treatment of waste” it will contain other waste types (other EWC codes) that have then been mechanically treated.

Table 14: Taxable disposals by EWC code and SLfT rate, 2015/16 – 2022/23

EWC code	Description	Row percentages (%)		Taxable disposals (tonnes)
		Standard rate	Lower rate	
20 03 01	Mixed municipal waste	100.0%	0.0%	7,454,500
19 12 12	Other wastes (including mixtures of materials) from mechanical treatment of wastes other than those mentioned in 19 12 11	68.6%	31.4%	4,720,900
Other or unknown		25.1%	74.9%	5,958,000

Mixed municipal waste has accounted for 7.5 million tonnes of taxable disposals since 2015/16, all of which was subject to the standard rate of SLfT. EWC code 19 12 12 has accounted for 4.7 million tonnes over the same time span. 69% of EWC code 19 12 12 disposals were subject to standard rate tax and 31% were subject to the lower rate.

Appendix A Date of submission versus effective date

Revenue Scotland's monthly LBTT statistics and the data in this publication are based on the date the LBTT return is submitted to Revenue Scotland. Generally this is different from the effective date (generally the date that a land transaction is completed) as taxpayers have 30 days from the effective date to submit their LBTT return. It can take up to eight weeks from the effective date for the majority (99%) of LBTT returns to be submitted, whereas no such time lag exists for data produced by date of submission. Revenue Scotland is aware of interest in data by effective date but there are good reasons to publish statistics by submission date.

- Publishing data based on the submission date rather than the effective date allows Revenue Scotland to publish monthly LBTT statistics in a timely manner.
- The data will be subject to revision only as a result of changes to the LBTT returns submitted (e.g. a claim for repayment of ADS) and not as a result of the submission of LBTT returns relating to an earlier period (which would be the case for statistics produced by effective date).
- Published statistics include actual values rather than estimates for the most recent months.
- Trends observed in the published data will be broadly the same as those on an effective date basis, with the largest deviations occurring at the ends of the series and near policy changes.

It is worth noting that the Scottish Fiscal Commission (SFC) typically requests data by effective date, which it uses to produce and evaluate forecasts of LBTT revenue. The data provided allows the SFC to more accurately examine the impact of significant events, e.g. policy changes. The data includes LBTT returns with an effective date up to and including the month two months prior to the date on which the data was extracted from the tax system. Revenue Scotland subsequently publishes the data provided to the SFC on the [LBTT data requests](#) section of its website.

Appendix B Comparison of Published Statistics with Revenue Scotland's Annual Report and Financial Statements

The purpose of this appendix is to explain how Revenue Scotland's [monthly LBTT statistics](#), [quarterly SLfT statistics](#), and annual statistics (this publication) relate to the revenue figures that appear in the Devolved Taxes Account in [Revenue Scotland's Annual Report and Financial Statements](#) (referred to in this annex as the Annual Report). The figures in the statistics and Annual Report are produced on a different basis.

Appendix B (i) - comparison of LBTT statistics with published accounts

Whereas the figures in the Annual Report are, by their nature, fixed for a given year (at the point at which the accounts are closed), the published statistics are updated on a monthly basis with changes largely reflecting ADS reclaims (and some other amendments) which have been received after the original LBTT tax returns were submitted.

The Annual Report and published statistics are both based on the date the LBTT return is submitted but with some adjustments made to the Annual Report³ to accrue revenue for LBTT returns (and claims for repayment of ADS) received in April and May (after the end of the financial year) with an effective date (or sale date for the previous main residence) relating to the previous financial year or earlier. These April/May adjustments typically result in relatively small differences between the Annual Report and published statistics, although the difference was more pronounced in the first year of LBTT (2015/16) because there were no reverse accruals relating to the previous year.

Differences in reported figures are mainly due to the different treatments of claims for repayment of ADS in the Annual Report and published statistics. This annex focuses on differences arising due to the different treatments of claims for repayment of ADS and is intended to help the reader make meaningful comparisons between the two sources of financial information.

The published statistics allocate claims for repayment of ADS to the period in which the LBTT return (with ADS declared due) was originally submitted. The accounts published in the Annual Report typically allocate claims for repayment of ADS to the accounting year in which the claim for repayment was received. For example, a claim for repayment of ADS received in June 2019 relating to an LBTT return originally received in March 2019 would be allocated to March 2019 (2018/19) in the published statistics and to 2019/20 in the Annual Report. This repayment could not be allocated to 2018/19 in the accounts because the 2018/19 accounts were closed as at 31 May 2019.

³ The Annual Report and Financial Statements are produced to comply with the accounting principles and disclosure requirements of the Government Financial Reporting Manual.

Table 15: LBTT excluding ADS and gross ADS declared due and the value of ADS repayments claimed by year the LBTT return/claim for repayment was received and the year the claim relates to

Year	£ millions ³										Devolved Taxes figure for LBTT ²	
	a) LBTT excl. ADS	b) Gross ADS	Value of ADS repayments claimed							Net LBTT (a + b - c)		
			Year claim relates to ¹									
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	c) All		
2015/16	415.8										415.8	424.9
2016/17	389.7	104.5	13.3							13.3	480.9	483.6
2017/18	461.5	124.3	12.3	17.1						29.4	556.4	557.3
2018/19	457.1	130.4	1.6	13.0	18.6					33.1	554.4	554.2
2019/20	478.5	166.4	0.0	1.6	15.2	23.9				40.7	604.2	597.4
2020/21	398.8	156.6	0.0	0.1	2.0	19.3	23.1			44.5	510.9	517.4
2021/22	666.5	192.6	0.0	0.0	0.7	4.5	20.1	26.9		52.2	806.9	807.2
2022/23	679.9	210.6	0.0	0.0	0.1	1.1	2.2	17.2	27.9	48.4	842.1	847.8

Notes:

1. For example, a claim for repayment of ADS received in 2017/18 relating to an LBTT return (with ADS declared due) originally received in 2016/17 would relate to 2016/17 (i.e. the year the LBTT return was received)
2. Revenue Scotland Annual Report and Financial Statements. See: <https://www.revenue.scot/about-us/publications/corporate-documents>
3. All figures are as at the end of the relevant financial year and have not been revised

Key figures in **Table 15** that help illustrate the different treatment of claims for repayment of ADS are the £2.2 million and £17.2 million of claims for repayment of ADS received in 2022/23 relating to LBTT returns initially received in 2020/21 and 2021/22, respectively (and to a lesser extent, the £1.1 million relating to 2019/20). In the published statistics these claims do not result in any adjustment to the net ADS declared due in 2022/23. However, the net ADS reported in the statistics against 2020/21 and 2021/22 is revised (reduced) to reflect these claims as they relate to ADS originally declared on LBTT returns received in those financial years.

In the Annual Report, these repayments are reported as reductions in revenue in 2022/23 as they were received after the accounting periods for 2020/21 and 2021/22 were closed, and hence the accounts for 2020/21 and 2021/22 are not revised. Therefore, to compare the published statistics for LBTT relating to 2022/23 (as at the 31st March 2023) with the LBTT revenue reported in Revenue Scotland's 2022/23 Annual Report (accounts), the ADS repayment claims received during 2022/23 relating to earlier years (£1.1 million for 2019/20, £2.2 million for 2020/21 and £17.2 million for 2021/22) should be deducted from the statistics⁴.

⁴ Note – the figures of £1.1 million, £2.2 million and £17.2 million for 2019/20, 2020/21 and 2021/22 can be estimated from the statistics by differencing the net ADS statistics published for March 2023 with the net ADS statistics published for March 2022.

Table 15 shows that the Devolved Taxes figure for LBTT in Revenue Scotland's accounts and the Net LBTT figure taken from the published statistics (adjusted for ADS reclaims in previous years, as discussed above) can broadly be reconciled. There are some other reasons for differences, but these are generally more minor and it is not practical to adjust the statistics for all possible differences.

The most significant of these is the impact of the accounting accruals process which attributes revenue in the first two months of the accounting year (April and May) to the previous financial year if the effective date of the relevant transaction was before 1 April. For every financial year there is revenue coming in from April and May of the following year (accruals) and revenue subtracted (reverse accruals) from April and May of the year in question which was included in the accounts of the previous year.

The accruals and reverse accruals often roughly cancel out, but for 2015/16, 2019/20 and 2020/21 there were more noticeable difference which in turn resulted in more significant differences between Net LBTT and Devolved Taxes figure for LBTT in **Table 15**.

For 2015/16, no LBTT revenue where the tax returns were received in April or May 2015 were accrued into 2014/15 in the annual accounts (as LBTT was only introduced in April 2015), but 2015/16 included some revenue for returns received in April and May 2016 with effective dates before 1 April 2016.

For 2019-20, accruals from April and May 2020 (into 2019/20) were reduced as a result of the impact of the COVID-19 pandemic which significantly impacted LBTT revenue in late March and April/May 2020. This resulted in a lower figure in the accounts (£597.4 million) than in the net figure shown in **Table 15** (£604.2 million), a difference of nearly £7 million.

The opposite effect is seen for 2020/21 where the accrual into the accounts (from April/May 2021 into 2020/21) outweighs the accrual from April/May 2020 into 2019/20. In this case the figure in the accounts for 2020/21 (£517.4 million) is around £7 million more than the net figure in **Table 15** (£510.9 million).

Appendix B (ii) – comparison of SLfT statistics with published accounts

Table 16: Comparison of SLfT declared due reported in Revenue Scotland statistics with SLfT revenue reported in the Revenue Scotland Annual Report and Financial Statements

Year	£ millions	
	SLfT declared due (in statistics ¹)	SLfT revenue net of repayments, excluding penalties & interest and revenue losses (in accounts ²)
2015/16	149.3	147.0
2016/17	148.0	149.1
2017/18	146.6	148.0
2018/19	141.3	148.5
2019/20	118.6	119.0
2020/21	106.3	106.5
2021/22	121.7	125.2
2022/23	110.1	109.7

Notes:

1. Revenue Scotland SLfT Official Statistics.

See <https://www.revenue.scot/about-us/publications/statistics/scottish-landfill-tax-statistics>

2. Revenue Scotland Annual Report and Financial Statements.

See <https://www.revenue.scot/about-us/publications/corporate-documents>

Table 16 compares the SLfT declared due reported in Revenue Scotland Official Statistics with the SLfT revenue figures reported in Revenue Scotland's Annual Report.

These statistics are reported in relation to the quarter in which the landfill disposal took place. For example, if a landfill operator submits an SLfT tax return in August 2018 relating to the quarter April - June 2018, the tax declared due is reported against that quarter (i.e. April - June 2018). Landfill operators have 12 months from the relevant date to amend their tax return and Revenue Scotland SLfT Statistics are revised up to 12 months after the quarter in question. If additional tax is declared, or identified through Revenue Scotland compliance activities, after this 12 month period, the statistics are not revised. This is to minimise the risk of disclosing Protected Taxpayer Information by updating tonnages and revenues by quarter, potentially showing changes relating only to single operators, or very small numbers of operators.

The Annual Report (accounts) reports revenue against the year in which the revenue was realised, with accrual adjustments in April and May. Unlike the statistics, any additional revenue (or reductions in revenue) realised during a financial year (but potentially relating to earlier years) will be reported as revenue in the accounts during that year and may lead to a difference between SLfT reported in the statistics and the accounts.

Appendix C Data Quality and Further Information

All data were extracted as at 31 May 2023 but, in keeping with Revenue Scotland's revisions policy, some of the data relating to earlier years has not been updated. For LBTT and SLfT, only data for 2021/22 onwards has been updated (and for sub-Scotland geographies, only the most recent year was updated).

Reliefs

There are various data quality issues with reliefs information collected from LBTT returns in previous years, although these issues do not affect the total LBTT declared due.

The most common data quality issue affecting total revenue foregone to reliefs is that, prior to the introduction of a new electronic tax system in July 2019, 4% of taxpayers claiming reliefs incorrectly entered the value of the relief claimed as the full consideration - e.g. the total price of the property – rather than the LBTT amount that would be due without reliefs. This means that simply summing the value of reliefs claimed on tax returns would overstate the value of LBTT revenue forgone to reliefs. The LBTT revenue forgone to reliefs needs to be estimated from other information provided by the taxpayer, and hence the results presented are referred to as estimates. Full details of the methods used to produce the estimates can be found on the [LBTT data requests section](#)⁵ of the Revenue Scotland website.

From 2015/16 to 2018/19, the relief amount was estimated in this way for 10% of returns claiming a relief. Recent improvements to the tax system have reduced the need to estimate the relief amount, and in 2020/21, the relief amount was estimated for 1% of returns.

It is also worth noting that the estimates are likely to underestimate ADS (and consequently LBTT) revenue forgone to reliefs to some extent. ADS is due on most purchases of a residential property by a non-natural person, such as a company. When a full relief is claimed reducing the LBTT liability to nil, in some cases the ADS has not been declared (rather than declared and reduced to nil by relief). Therefore, although the tax position is correct, it is likely that data on reliefs for residential transactions will underestimate ADS revenues forgone. There is a similar issue where a non-residential transaction contains a mixture of residential and commercial elements ('mixed' property transactions are treated as non-residential transactions for LBTT). Again, the overall tax position for the relevant transactions remains correct.

Notes on LBTT returns

The LBTT legislation prescribes that an LBTT return must be submitted and arrangements made for payment of the LBTT due to Revenue Scotland before the Keeper of the Registers of Scotland can proceed with registration of title. The LBTT return includes a range of information about the transaction, tax liabilities and reliefs claimed. Amendments and corrections can be made to LBTT returns up to one year following the filing date. This may

⁵ The relevant file is dated 11 October 2018 and named 'LBTT – reliefs.xlsx'.

lead to revisions to the LBTT data in this publication. The vast majority of LBTT returns are submitted online via the Revenue Scotland website by agents acting on behalf of taxpayers.

Notes on SLfT returns

The SLfT data presented in this publication comes from SLfT returns and is based on the period the return relates to. A SLfT return must be submitted and arrangements made for payment of the SLfT due to Revenue Scotland by 44 days after the end of the quarter. The SLfT return includes a range of information about the tax liabilities and credits claimed, along with supplementary information on the type and amount of waste disposed of in the quarter. Amendments and corrections can be made to SLfT returns up to one year following the filing date. This may lead to revisions to the SLfT data in this publication. The vast majority of SLfT returns are submitted online via the Revenue Scotland portal.

Other Data Sources

Users should note that this publication is not a commentary on the volume of waste from all sources or volume of waste landfilled in Scotland. Nor is it a commentary on the volume or value of land and property transactions in Scotland.

The Scottish Environment Protection Agency publishes comprehensive waste data for Scotland on its [website](#).

Registers of Scotland publishes comprehensive property data for Scotland on its [website](#).

Other UK Statistics

Statistics for other countries of the UK are produced by different organisations. These are listed below. Note that different countries may have different tax rates which should be considered when comparing the statistics.

For Wales, The Welsh Revenue Authority produce statistics on the Land Transaction Tax and Landfill Disposal Tax in Wales, which are found on their website.

For England and Northern Ireland, HM Revenue and Customs (HMRC) produce the [Stamp Duty Land Tax statistics](#) and the Landfill Tax is found in their [Environmental Taxes Bulletin](#).