

Revenue Scotland
Statistics
Annual Summary of
Trends in the
Devolved Taxes
2018/19

Executive summary

The data in this publication covers the period 1 April 2015 to 31 March 2019 (unless otherwise stated). The data was extracted on 31 May 2019 and will reflect any claims for repayment of the Additional Dwelling Supplement (ADS) or other amendments to tax returns up to and including this date.

Land and Buildings Transaction Tax (LBTT)

- A total of £566 million of LBTT was declared due in 2018/19. This figure includes £108 million of ADS net of repayments already claimed. We would expect further repayments to be claimed.
- Residential conveyances accounted for £367 million (65 per cent), non-residential conveyances accounted for £169 million (30 per cent) and leases accounted for £30 million (5 per cent).
- A total of 120,300 LBTT returns were received in 2018/19.
- Residential conveyances accounted for 103,800 returns (86 per cent), non-residential conveyances accounted for 7,200 returns (6 per cent), leases accounted for 5,200 returns (4 per cent) and reviews of a lease (three-yearly reviews, assignments and terminations) accounted for 4,200 returns (4 per cent).

LBTT excluding ADS declared due for residential conveyances

- The LBTT excluding ADS declared due for residential conveyances has increased each year and was £261 million in 2018/19 representing an increase of £1 million (less than 1 per cent) on the previous year.
- Since 2015/16 the LBTT excluding ADS declared due for residential conveyances has increased by £59 million (29 per cent). This is mainly due to an increase in average residential property prices.
- 47 per cent of residential conveyance returns received in 2018/19 had total consideration less than or equal to £145,000 and, therefore, zero tax liabilities. This represents a decrease of 6 percentage points since 2015/16.
- The residential LBTT band £325,001 to £750,000 accounted for 9 per cent of returns received and 57 per cent of LBTT excluding ADS declared due in 2018/19. These both represent increases of 2 percentage points since 2015/16.
- City of Edinburgh has accounted for 30 to 33 per cent of residential LBTT excluding ADS declared due since 2015/16. No other local authority has accounted for more than 9 per cent in any year.

- Residential LBTT excluding ADS declared due for City of Edinburgh (£87 million in 2018/19) and Glasgow City (£19 million in 2018/19) has increased by 46 and 51 per cent, respectively, since 2015/16.
- Residential LBTT excluding ADS declared due for Aberdeenshire (£12 million in 2018/19) and Aberdeen City (£12 million in 2018/19) has decreased by 30 and 29 per cent, respectively, since 2015/16. This contrasts with the 29 per cent increase for Scotland as a whole.

ADS for residential conveyances

- £128 million gross ADS was declared due in 2018/19 representing an increase of £6 million (5 per cent) on the previous year.
- City of Edinburgh accounted for most gross ADS declared due in 2018/19 with £28 million (22 per cent) followed by Glasgow City with £14 million (11 per cent).
- 23,600 residential conveyances received in 2018/19 had ADS declared due representing an increase of less than 1 per cent on the previous year. This equates to 23 per cent of all residential conveyances received in 2018/19.
- The gross ADS reclaimed rises from 1 per cent for the most recent month (May 2019) to around 23 to 31 per cent for the earliest 20 months (April 2016 to November 2017). This is a reflection of the fact that taxpayers have 18 months from the effective date of the transaction subject to ADS to sell their previous main residence and then reclaim ADS.
- Approximately 8 per cent of claims for repayment of ADS are received within four weeks, over half of all claims are received within 20 weeks and approximately 90 per cent of all claims are received within a year.
- Approximately two-thirds of taxpayers who state that they intended to reclaim ADS subsequently go on to do so. Only 1 per cent of taxpayers who state that they do not intend to reclaim ADS subsequently go on to do so.
- The percentage of residential conveyances received in 2018/19 with ADS declared due where the taxpayer does not intend to reclaim ADS was highest in Dundee City (26 per cent) and lowest in Midlothian (10 per cent).
- Residential conveyances with ADS declared due where the taxpayer does not intend to reclaim ADS tend to be lower value transactions. This is likely to reflect the fact that these transactions include buy-to-let properties and second homes.

LBTT declared due for non-residential conveyances and leases

- The LBTT declared due for non-residential conveyances and leases is volatile due to fluctuations in the small number of high-value transactions seen in each year.
- LBTT from non-residential conveyances was £169 million in 2018/19, a decrease of £9 million (5 per cent) on the previous year.
- LBTT from leases was £30 million in 2018/19, an increase of £5 million (18 per cent) on the previous year.

LBTT revenue forgone to reliefs

- It is estimated that £126 million of LBTT revenue was forgone to reliefs in 2018/19 which represents an increase of £34 million (36 per cent) on the previous year.
- Group relief is estimated to have accounted for the majority (55 to 73 per cent) of revenue forgone each year. An estimated £87 million of LBTT revenue was forgone to group relief in 2018/19 which represents an increase of £37 million (72 per cent) on the previous year.

Scottish Landfill Tax (SLfT)

- Standard rate disposals of 1.65 million tonnes were declared in 2018/19 representing a decrease of 0.12 million tonnes (7 per cent) on the previous year.
- Standard rate disposals have decreased each year since 2015/16 by a total of 0.22 million tonnes (12 per cent) over the period.
- Net SLfT declared due was £141 million in 2018/19 representing a decrease of £5 million (4 per cent) on the previous year.
- The net SLfT declared due has decreased each year since 2015/16 by a total of £8 million (5 per cent) over the 4-year period due to standard rate disposals decreasing faster than the increase in the rate at which standard rate disposals are taxed.
- Disposals of two waste streams, namely mixed municipal waste (59 to 65 per cent) and waste derived from mechanical treatment of waste (23 to 29 per cent), have accounted for the majority (87 to 88 per cent) of gross SLfT declared due each year.
- All disposals of mixed municipal waste where tax was declared due have been declared as subject to the standard rate of SLfT. However, disposals of waste derived from mechanical treatment of waste (European Waste Catalogue code 19 12 12) where tax was declared due have been declared as split between the standard (70 per cent) and lower (30 per cent) rates of SLfT.

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1. Introduction

Revenue Scotland is a Non-Ministerial Department responsible for the management and collection of Scotland's devolved taxes – currently Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax (SLfT).

Revenue Scotland began tax collection operations on 1 April 2015.

Revenue Scotland operates according to Adam Smith's principles of taxation to ensure equity, certainty, convenience and efficiency in administering and managing devolved taxes.

The four principles:

- **Equity** – proportionality to the ability of a taxpayer to pay;
- **Certainty** – maximising tax compliance, minimising tax avoidance and evasion;
- **Convenience** – ensuring tax systems and processes are open and accessible;
- **Efficiency** – ensuring tax systems are efficient and effective and represent value for money for Scotland.

Revenue Scotland has statutory powers in addition to the management and collection of the devolved taxes. These include:

- providing information, advice and assistance on tax matters for Scottish Ministers;
- providing information and assistance to taxpayers and agents;
- efficiently resolving devolved tax disputes;
- protecting tax revenue from tax fraud and avoidance.

This is Revenue Scotland's second annual statistics publication summarising trends in the devolved taxes, namely Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax (SLfT).

Revenue Scotland publishes monthly and quarterly official statistics on LBTT and SLfT.

Revenue Scotland's monthly LBTT publication provides information on the LBTT declared due and number of LBTT returns received by month of submission, type of transaction (conveyance/lease/review of a lease), type of property (residential/non-residential) and total consideration. Information on the Additional Dwelling Supplement (ADS) declared due, the number of LBTT returns received with ADS declared due and the value and number of claims for repayment of ADS received is also provided.

<https://www.revenue.scot/about-us/publications/statistics/land-and-buildings-transaction-tax-statistics-0>

Revenue Scotland's quarterly SLfT publication provides information on the SLfT declared due, declared taxable disposals by SLfT rate and contributions to the Scottish Landfill Communities Fund (SLCF).

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

Revenue Scotland's monthly LBTT publication and quarterly SLfT publication are also available from statistics.gov.scot.

The purpose of this annual publication is to summarise and provide commentary on Revenue Scotland's official statistics publications and also to provide information that is not available in the monthly and quarterly official statistics publications, e.g.

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

This publication is distinct from Revenue Scotland's Annual Report and Financial Statements.

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

Appendix B explains how Revenue Scotland's official statistics publications relate to its Annual Report and Financial Statements.

As is the case with Revenue Scotland's monthly LBTT publication, the LBTT data presented in this publication comes from LBTT returns and is based on the date the return was received by Revenue Scotland. Appendix A explains how data on this basis relates to data on an effective date¹ basis.

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 date². This may lead to revisions to the LBTT data in this

¹ Typically the effective date of a land transaction is the date that the land transaction is completed. For further information on the effective date see the guidance published by Revenue Scotland.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/how-tax-works/lbtt1004>

² <https://www.legislation.gov.uk/asp/2014/16/section/83>

publication. The vast majority of LBTT returns are submitted online via the Revenue Scotland website by agents acting on behalf of taxpayers.

Users should note that this publication is not a commentary on the volume or value of land and property transactions in Scotland. Registers of Scotland publish comprehensive property data for Scotland.

<https://www.ros.gov.uk/data-and-statistics>

Similarly 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.

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. The Scottish Environment Protection Agency publish comprehensive waste data for Scotland.

<https://www.sepa.org.uk/environment/waste/waste-data/>

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

<https://www.statisticsauthority.gov.uk/code-of-practice/>

The figures and tables in this publication can be downloaded from the Revenue Scotland website.

<https://www.revenue.scot/about-us/publications/statistics>

Unless otherwise stated all data is as at 31 May 2019.

If you need any further information or have any comments or suggestions on how this publication or the official statistics Revenue Scotland produce can be improved then please contact us using the details below.

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2. Land and Buildings Transaction Tax (LBTT)

Land and Buildings Transaction Tax (LBTT) came into effect on 1 April 2015. It is a replacement for the UK Stamp Duty and Land Tax (SDLT) which ceased to apply in Scotland on the same date. LBTT is administered by Revenue Scotland with support from Registers of Scotland which has performed specific delegated functions.

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 (such as acquisitions by the Crown or transactions in connection with a court order relating to divorce or dissolution of civil partnership). A full list of exempt transactions can be found in the LBTT guidance.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/exemptions-reliefs/lbtt3002>

For more information about LBTT, please see the relevant sections on our website.

<https://www.revenue.scot/land-buildings-transaction-tax>

The biggest change to LBTT since it came into effect is the Additional Dwelling Supplement (ADS) which was introduced on 1 April 2016. The ADS is an additional charge which is applicable when the taxpayer is not replacing their main residence. The most common scenario in which taxpayers are likely to pay the ADS will be where they are purchasing an additional property – for example, a buy-to-let dwelling or a second home (or holiday home) - in addition to their main residence.

In cases where, for example, a taxpayer buys a new main residence before selling their previous main residence, the taxpayer initially pays ADS but then has 18 months from the effective date of the original transaction to sell their previous main residence and reclaim the ADS.

For more information about ADS, please see the relevant sections on our website.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/lbtt10001-lbtt-additional-dwelling>

Throughout this publication ‘gross ADS’ refers to the ADS declared due and ‘net ADS’ refers to the ADS declared due minus any repayments of ADS claimed.

The current rates for LBTT (and ADS) are set by the Scottish Government and approved by the Scottish Parliament.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/calculating-tax-rates-and-bands>

The first three-yearly reviews of lease transactions were received from 1 April 2018. Three-yearly reviews of lease transactions are required in order to capture any changes in the LBTT due through, for example, rent reviews and extensions. The LBTT legislation requires that, unless the lease has been terminated or assigned, a further LBTT return must be submitted by the tenant at every third anniversary of the effective date of the lease (i.e. year 3, year 6, year 9 etc.) and any additional LBTT paid or overpaid LBTT reclaimed.

For more information on three-yearly reviews of lease transactions please see the relevant sections on our website.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/leases/lbtt6014>

Where a lease has been notified to Revenue Scotland and is later assigned, the assignor (the outgoing tenant) must make a further LBTT return to Revenue Scotland within 30 days of the day after the lease was assigned. Where a lease has been notified to Revenue Scotland and is later terminated for any reason (including a renunciation of the lease), the tenant at the point of termination must make a further LBTT return to Revenue Scotland within 30 days of the day after the lease is terminated. Assignations and terminations were received prior to 1 April 2018 but they were not distinguished in the statistics from lease transactions prior to this date.

For more information on assignations and terminations please see the relevant sections on our website.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/leases/lbtt6017>

Throughout this publication 'reviews of a lease' refers to three-yearly reviews, assignations and terminations. LBTT from reviews of a lease is the additional LBTT declared due minus any repayments claimed. This net figure may be positive or negative.

2.1 Overview

Figure 1: LBTT declared due by type of transaction and year

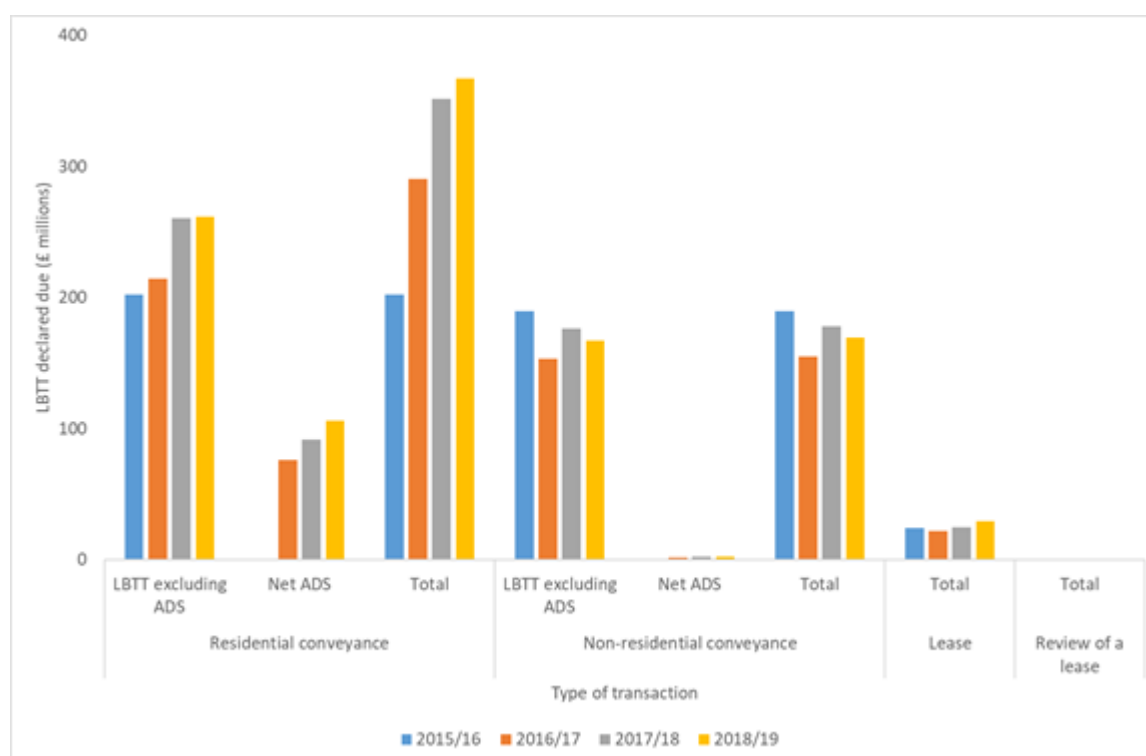


Figure 1 shows LBTT declared due by type of transaction and year. In each year residential conveyances have accounted for more LBTT than non-residential conveyances, leases and reviews of a lease. In the (one) year prior to the introduction of the Additional Dwelling Supplement (ADS) on 1 April 2016, residential and non-residential conveyances accounted for similar amounts of LBTT. Since the introduction of ADS, residential conveyances have accounted for approximately two times more LBTT than non-residential conveyances. This reflects the introduction of ADS (residential conveyances have accounted for 98 per cent of net ADS declared due), an increase in LBTT excluding ADS from residential conveyances and a decrease in LBTT from non-residential conveyances. Leases account for much less LBTT than residential and non-residential conveyances.

Since 2016/17, residential conveyances have accounted for 64 per cent of LBTT, non-residential conveyances have accounted for 32 per cent of LBTT and leases have accounted for 5 per cent of LBTT.

Net LBTT from reviews of a lease was less than £0.1 million in 2018/19.

In total, LBTT (as at 31 May 2019) has increased from £416 million for tax returns originally received in 2015/16 to £467 million in 2016/17, £555 million in 2017/18 and £566 million in 2018/19. The relationship between these figures and those published in Revenue Scotland's Annual Report and Financial Statements is described in Appendix B

Table 1: Number of LBTT returns received by type of transaction and year

Type of transaction	Number of LBTT returns received			
	2015/16	2016/17	2017/18	2018/19
Residential conveyance	103,680	100,500	103,930	103,760
Non-residential conveyance	6,220	6,810	6,880	7,160
Lease	5,270	5,740	5,570	5,160
Review of a lease				4,230
All	115,170	113,050	116,380	120,310

Table 1 shows the number of LBTT returns received by type of transaction and year. The number of LBTT returns received by type of transaction is more consistent than the corresponding LBTT declared due. Residential conveyances have accounted for the majority (89 per cent) of LBTT returns received. Non-residential conveyances have accounted for 6 per cent of LBTT returns received with leases accounting for 5 per cent. Over the 4 year period, reviews of a lease have accounting for 1 per cent of LBTT returns although this equates to 4% in 2018/19, the first year in which 3-year reviews of a lease were due.

It is worth noting that non-residential conveyances account for a much higher proportion of LBTT declared due (32 per cent since 2016/17) than LBTT returns received (6 per cent). This is because small numbers of high-value non-residential conveyances typically account for a relatively large proportion of LBTT.

In 2018/19, the year in which three-yearly reviews were first received and the first year in which assignments and terminations were distinguishable from lease transactions, reviews of a lease accounted for a much higher proportion of LBTT returns received (4 per cent) than LBTT declared due (0 per cent).

2.2 Residential LBTT excluding Additional Dwelling Supplement (ADS)

In this section we summarise the trends in LBTT excluding the Additional Dwelling Supplement (ADS) declared due for residential conveyances and the number of residential conveyances received. There are good reasons for presenting analysis of LBTT excluding ADS separately from analysis of ADS. Analysing trends in total LBTT declared due for residential conveyances is complicated by the introduction of the ADS on 1 April 2016 which introduces a break in the LBTT revenues time series. Furthermore, as the ADS may be reclaimed when the taxpayer sells their previous main residence, the series is subject to large revisions for many months. This is less problematic for non-residential conveyances as net ADS revenue accounts for a very small proportion of LBTT revenue from non-residential conveyances (for example, due to the few non-residential transactions with a smaller residential component subject to ADS). (See **Figure 1**.)

Table 2: LBTT excluding ADS declared due and number of LBTT returns received by year for residential conveyances

	2015/16	2016/17	2017/18	2018/19
LBTT excluding ADS (£ millions)	202.0	214.2	260.1	261.3
Annual percentage change in LBTT excluding ADS		6.1%	21.4%	0.5%
LBTT returns received	103,680	100,500	103,930	103,760
Annual percentage change in LBTT returns received		-3.1%	3.4%	-0.2%
LBTT excluding ADS per return received ¹ (£)	1,900	2,100	2,500	2,500

Notes:

1. Rounded to the nearest £100.

Table 2 shows the LBTT excluding ADS declared due and the number of LBTT returns received by year for residential conveyances. The tax has increased each year and was £261 million in 2018/19. The tax increased by 6 per cent (£12 million) between 2015/16 and 2016/17 despite a 3 per cent decrease in the number of returns received. The tax increased by 21 per cent (£46 million) between 2016/17 and 2017/18 and the number of returns received increased by 3 per cent.

The tax increased slightly (0.5 per cent) and the number of returns received decreased slightly (-0.2 per cent) between 2017/18 and 2018/19.

Figure 2: LBTT excluding ADS declared due by month and year for residential conveyances

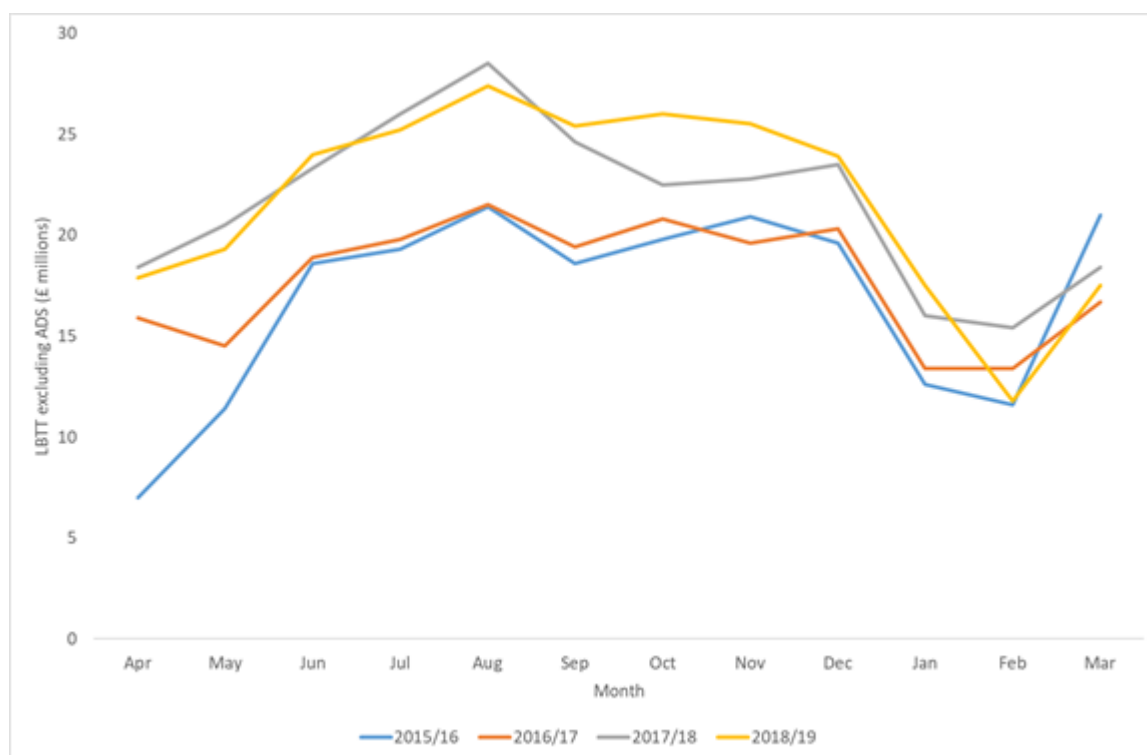


Figure 3: Number of residential conveyances received by month and year

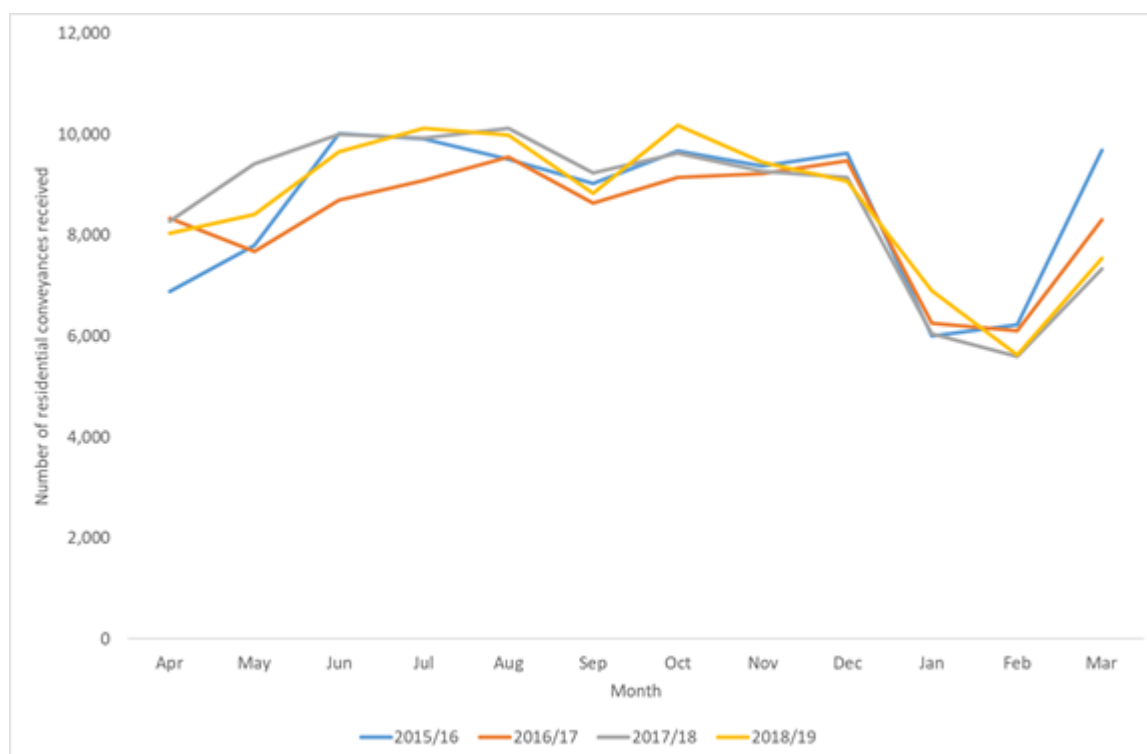


Figure 2 shows LBTT excluding ADS declared due by month and year for residential conveyances and **Figure 3** shows the number of residential conveyances received by month and year. In 2015/16 and 2016/17 the tax was fairly constant from June to December

(ranging from £19 to 21 million) before dropping off in the quieter months of January and February (ranging from £12 to 13 million). The period from March to May was more variable and this is likely to have been influenced by behavioural changes ahead of the introduction of tax changes on 1 April (e.g. the introduction of LBTT on 1 April 2015 and the introduction of ADS on 1 April 2016). The number of residential conveyances received exhibited similar seasonal variation to the tax declared due.

The seasonal trends in 2017/18 were similar to those observed in 2015/16 and 2016/17 but the tax was generally higher. For each month of 2017/18 the tax was higher than in 2016/17, by an average of £4 million per month.

For most months of 2018/19 the tax and returns received were similar to 2017/18 with average differences of +£0.1 million of tax and -10 returns per month. In the first half of 2018/19 (i.e. April to September 2018) the tax and returns received were lower than the previous year with average differences of £0.4 million of tax and 320 returns per month. Higher average residential property prices during this period were offset by fewer returns received resulting in a decrease in tax. In the latter half of 2018/19 (i.e. October 2018 to March 2019) the tax and returns received were higher than the previous year with average differences of £0.6 million of tax and 300 returns per month. The increase in returns received during this period coupled with higher average residential property prices resulted in an increase in tax. The final quarter of 2018/19 (i.e. January to March 2019) may have been impacted to some extent by forestalling ahead of the increase in the ADS rate from 3 to 4 per cent on 25 January 2019.

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

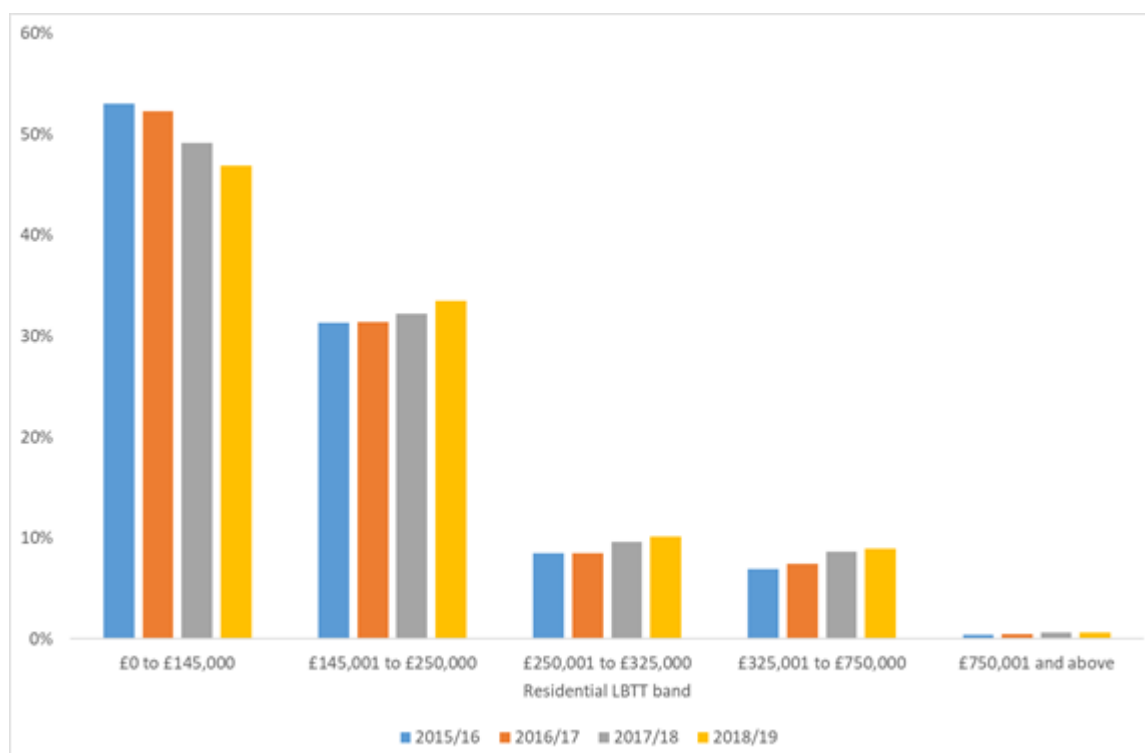


Figure 5: Distribution of LBTT excluding ADS by residential LBTT band and year for residential conveyances

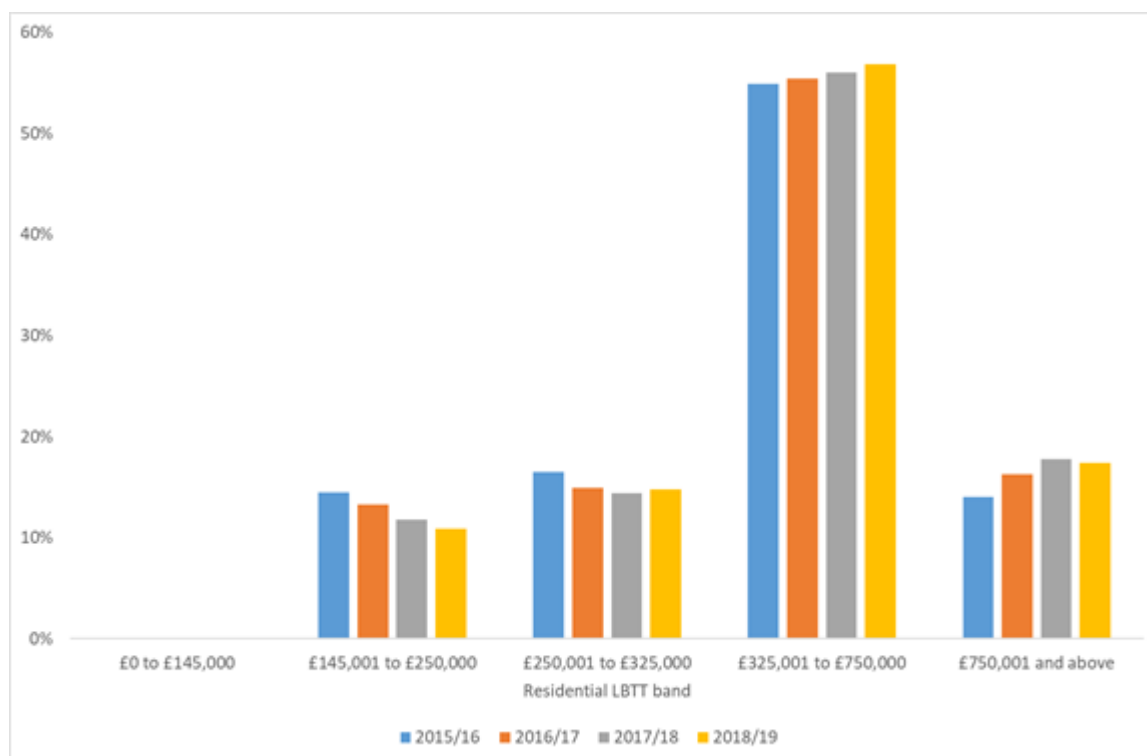


Figure 4 shows the distribution of residential conveyances received by residential LBTT band and year and **Figure 5** shows the LBTT excluding ADS declared due by residential LBTT band and year. Approximately 50 per cent of returns received have total consideration less than or equal to £145,000 and, therefore, have zero tax liabilities. Approximately 32 per cent of returns received have total consideration between £145,001 and £250,000 and these returns account for approximately 12 per cent of tax. The residential LBTT bands £250,001 to £325,000 and £325,001 to £750,000 each account for approximately 9 and 8 per cent of returns received, respectively. The former of these accounts for approximately 15 per cent of tax and the latter accounts for the approximately 56 per cent of tax. The residential LBTT band £750,001 and above accounts for less than one per cent of returns received (approximately 500 returns per year) and approximately 17 per cent of tax.

Figure 4 shows that there has been a rightward shift in the distribution of residential conveyances in each year, i.e. a lower proportion of returns received in the £0 to £145,000 residential LBTT band and a higher proportion of returns received in all other bands. This is consistent with the increase in average residential property prices reported by Registers of Scotland and largely explains the increase in tax observed between 2015/16 and 2016/17 and between 2017/18 and 2018/19 (despite slight decreases in the number of residential conveyances received) and between 2016/17 and 2017/18.

Due to the structure of the tax, a small shift in residential property prices typically results in a larger change in tax revenues.

2.3 Additional Dwelling Supplement (ADS)

Table 3: Gross ADS declared due, number of LBTT returns received with ADS declared due and value and number of repayments claimed by year for residential conveyances

	Gross ADS declared due (£ millions)			LBTT returns received with ADS declared due		
	Total	Reclaimed ¹	Reclaimed ¹ (%)	Total	Repayments claimed ¹	Repayments claimed ¹ (%)
2016/17	103.1	27.1	26.3%	20,840	3,650	17.5%
2017/18	122.2	30.8	25.2%	23,530	3,950	16.8%
2018/19	128.4	22.6	17.6%	23,600	2,840	12.0%

Notes:

1. The data reflects claims for repayment of ADS received up to and including 31 May 2019 and will be revised over time as more claims for repayment of ADS are received. We would expect most claims for repayment of ADS to be received within 18 months of the LBTT return with ADS declared due being received by Revenue Scotland. Therefore, the scale of the revisions is likely to be minimal for 2016/17 and 2017/18.

Table 3 shows the gross ADS declared due, the number of LBTT returns received with ADS declared due and the value and number of repayments claimed by year for residential conveyances. Approximately £128 million in gross ADS was declared due in 2018/19. This represents an increase of approximately £6 million (5 per cent) on the previous year. This may be due in part to the increase in the ADS rate from 3 to 4 per cent towards the end of the financial year (25 January 2019).

Approximately 23,600 residential LBTT returns received in 2018/19 had ADS declared due, equating to 23 per cent of all residential conveyances received in 2018/19. This represents a small increase of approximately 70 on the previous year.

The reclaim rates for earlier years are higher than for 2018/19. However, the reclaim rates for 2018/19 will increase over time as more claims for repayment of ADS are received. The reclaim rates for 2017/18 and earlier may also increase but we would expect to have received most claims for repayment of ADS relating to LBTT returns received in 2017/18 or earlier. Approximately 17 per cent of taxpayers who submitted LBTT returns with ADS declared due in 2017/18 have subsequently claimed repayment of ADS. These repayment claims accounted for approximately 25 per cent of the gross ADS declared due which indicates that claims are more likely to relate to higher value transactions. A similar trend has been observed for the repayment claims received to date that relate to 2018/19 and earlier.

Figure 6: Proportion of gross ADS declared due subsequently reclaimed and LBTT returns received with ADS declared due and a subsequent claim for repayment by month for residential conveyances

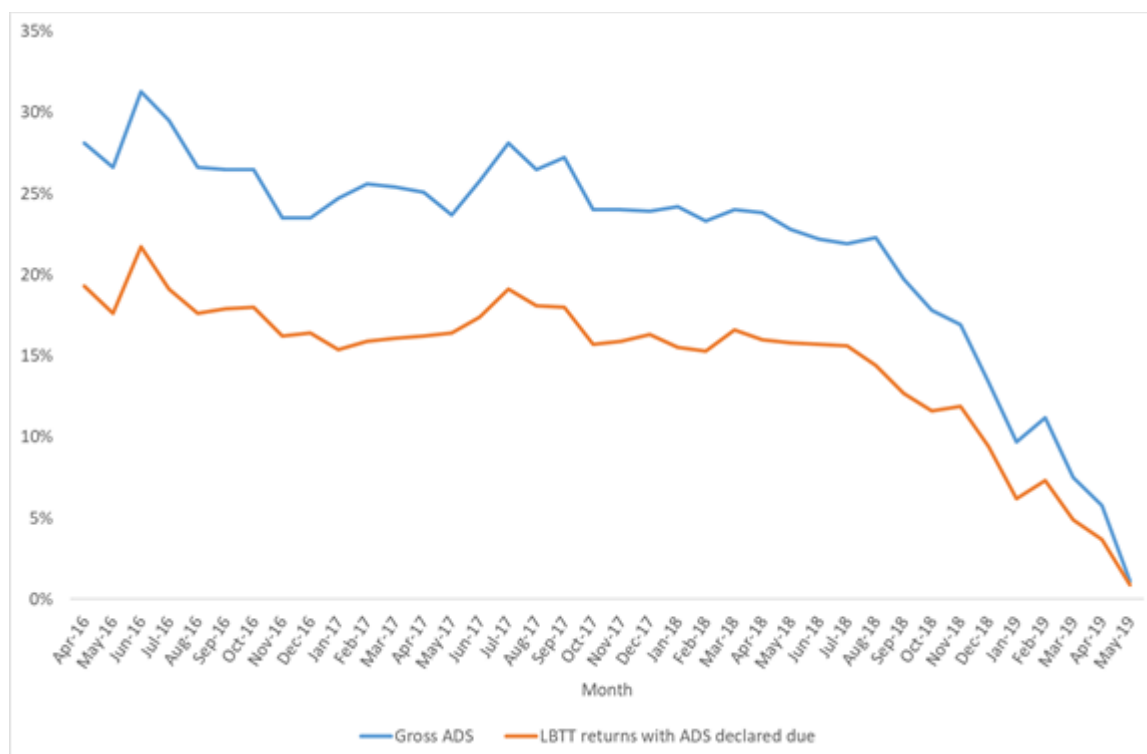


Figure 6 shows the proportion of gross ADS declared due subsequently reclaimed and the proportion of LBTT returns received with ADS declared due and a subsequent claim for repayment by month (of the original return) for residential conveyances. The gross ADS reclaimed rises from 1 per cent for the most recent month (May 2019) to around 23 to 31 per cent for the earliest 20 months (April 2016 to November 2017). This is a reflection of the fact that taxpayers have 18 months from the effective date³ of the transaction subject to ADS to sell their previous main residence and then reclaim ADS. Similarly, the number of claims for repayment of ADS rises from 1 per cent for the most recent month (May 2019) to around 15 to 22 per cent for the earliest 20 months (April 2016 to November 2017).

Though taxpayers have 18 months from the effective date of the transaction subject to ADS to sell their previous main residence and reclaim ADS, it should be noted that the majority of claims for repayment of ADS are received well within this 18 month period.

³ Provided the taxpayer sells their previous main residence within 18 months of the effective date, they may submit their claim for repayment of ADS up to five years from the filing date.

<http://www.legislation.gov.uk/asp/2014/16/section/115>

However, it is likely that most claims for repayment of ADS will be received shortly after the taxpayer has sold their previous main residence.

Figure 7: Proportion of ADS reclaimed and reclaims received by the number of weeks between the claim for repayment and submission of the LBTT return with ADS declared due

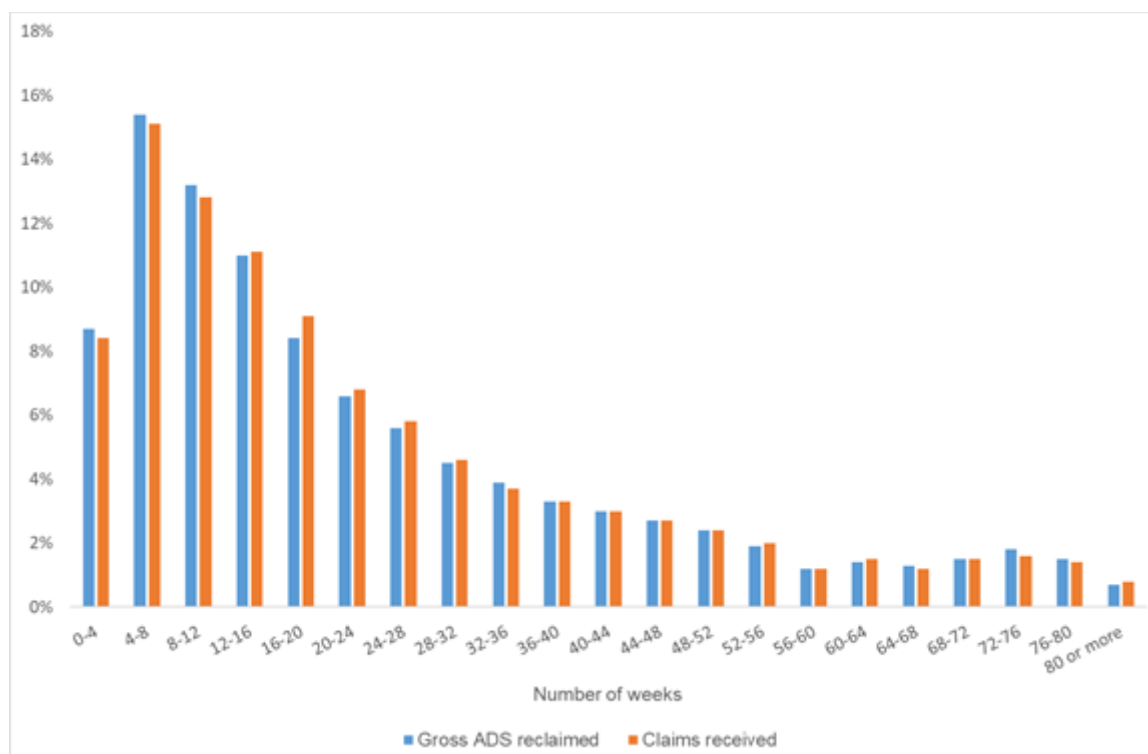


Figure 7 shows the proportion of ADS (tax) reclaimed and the proportion of reclaims (transactions) received by the number of weeks between the claim for repayment and (original) submission of the LBTT return. Approximately 8 per cent of claims are received within four weeks, over half of all claims are received within 20 weeks and approximately 90 per cent of all claims are received within a year. There is no obvious distinction between the distributions for claims received and gross ADS reclaimed. This suggests that claims for repayment associated with higher value transactions are no more likely to be received earlier (or later) than those for lower value transactions.

The LBTT return asks taxpayers declaring ADS due about their intention to reclaim ADS, i.e. do they intend to reclaim ADS or do they not.

Table 4: Number of LBTT returns received with ADS declared due and the proportion with a subsequent claim for repayment by year and the taxpayer's stated intention to reclaim ADS for residential conveyances

	LBTT returns received with ADS declared due			Proportion with a subsequent claim for repayment		
	Did the taxpayer state that they intend to reclaim ADS?			Did the taxpayer state that they intend to reclaim ADS?		
	Yes	No	All	Yes	No	All
2016/17	5,300	15,540	20,840	64.6%	1.4%	17.5%
2017/18	5,950	17,580	23,530	63.0%	1.1%	16.8%
2018/19	5,690	17,900	23,600	49.7%	0.1%	12.0%

Notes:

1. The data reflects claims for repayment of ADS received up to and including 31 May 2019 and will be revised over time as more claims for repayment of ADS are received. We would expect most claims for repayment of ADS to be received within 18 months of the LBTT return with ADS declared due being received by Revenue Scotland. Therefore, the scale of the revisions is likely to be minimal for 2016/17 and 2017/18.

Table 4 shows the number of LBTT returns received with ADS declared due and the proportion with a subsequent claim for repayment by year and the taxpayer's stated intention to reclaim ADS for residential conveyances. For LBTT returns received with ADS declared due in 2017/18 approximately two-thirds of taxpayers who stated that they intended to reclaim ADS subsequently went on to do so. Only 1 per cent of taxpayers who stated that they did not intend to reclaim ADS subsequently went on to do so. This suggests that a substantial proportion (approximately one-third in 2017/18) of taxpayers who state that they intend to reclaim ADS will not subsequently do so. However when a taxpayer states that they do not intend to reclaim ADS then it is unlikely that they will subsequently submit a claim for repayment.

Figure 8: Distribution of residential conveyances by type of transaction (all, ADS declared due and intends/does not intend to reclaim ADS) and residential LBTT band

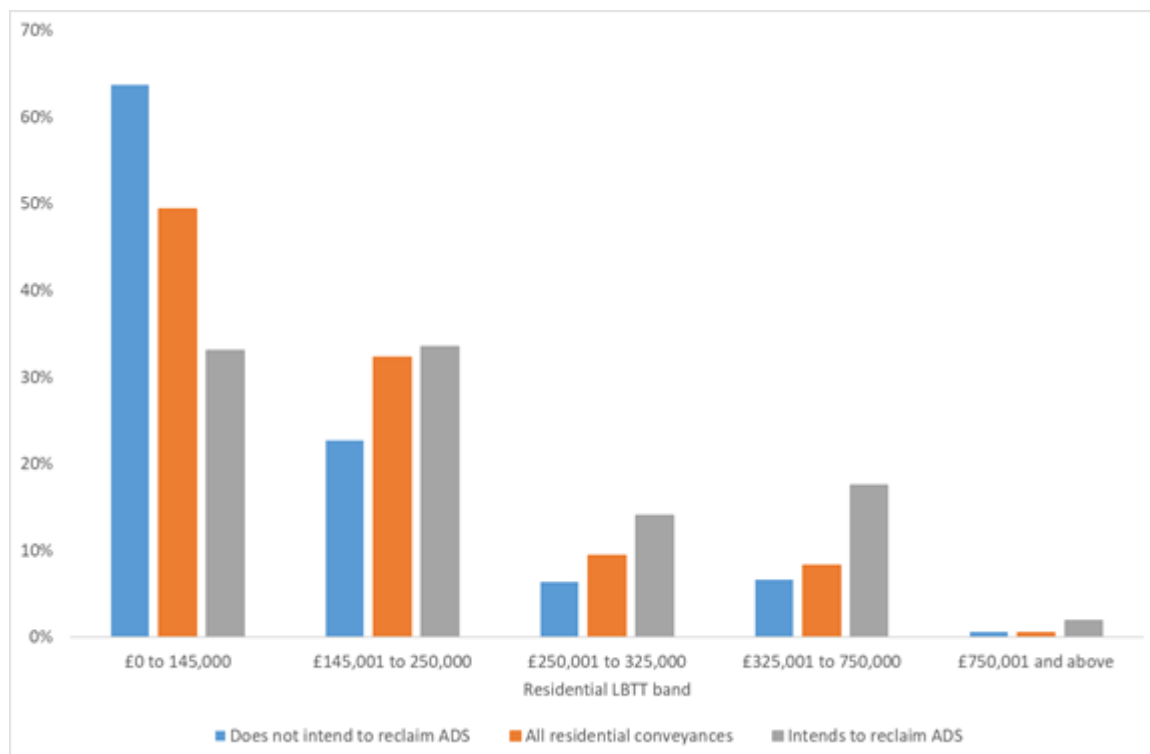


Figure 8 shows the distributions of all residential conveyances, residential conveyances with ADS declared due where the taxpayer does not intend to reclaim ADS and residential conveyances with ADS declared due where the taxpayer intends to reclaim ADS by residential LBTT band. There is a clear divergence between the distributions. Residential conveyances with ADS declared due where the taxpayer does not intend to reclaim ADS are more likely to be lower value transactions. This is likely to reflect the fact that these transactions will include buy-to-let properties and second homes. Residential conveyances with ADS declared due where the taxpayer intends to reclaim ADS tend to be higher value transactions. 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).

2.4 Non-residential conveyances

In this section we summarise the trends in LBTT declared due for non-residential conveyances and the number of non-residential conveyances received. Non-residential transactions also include leases and reviews of a lease which are analysed separately in sections 2.5 and 2.6, respectively.

Table 5: LBTT declared due and number of LBTT returns received by year for non-residential conveyances

	2015/16	2016/17	2017/18	2018/19
LBTT declared due (£ millions)	189.6	154.9	178.1	169.3
Annual percentage change in LBTT declared due		-18.3%	15.0%	-4.9%
LBTT returns received	6,220	6,810	6,880	7,160
Annual percentage change in LBTT returns received		9.6%	1.0%	4.1%
LBTT declared due per return received ¹ (£)	30,500	22,700	25,900	23,700

Notes:

1. Rounded to the nearest £100.

Table 5 shows the LBTT declared due and number of LBTT returns received by year for non-residential conveyances. Though accounting for only approximately 6 per cent of LBTT returns received, non-residential conveyances have accounted for approximately 31 per cent of LBTT declared due in the last two years.

LBTT from non-residential conveyances was £169 million in 2018/19, a decrease of £9 million (5 per cent) on the previous year despite the number of LBTT returns received increasing 4 per cent. This represents a decrease of £20 million (11 per cent) from the high of £190 million in 2015/16 and an increase of £14 million (9 per cent) from the low of £155 million in 2016/17. The volatility in LBTT from non-residential conveyances is predominantly due to fluctuations in the small number of very high-value transactions seen in each year.

Figure 9: LBTT declared due by month and year for non-residential conveyances

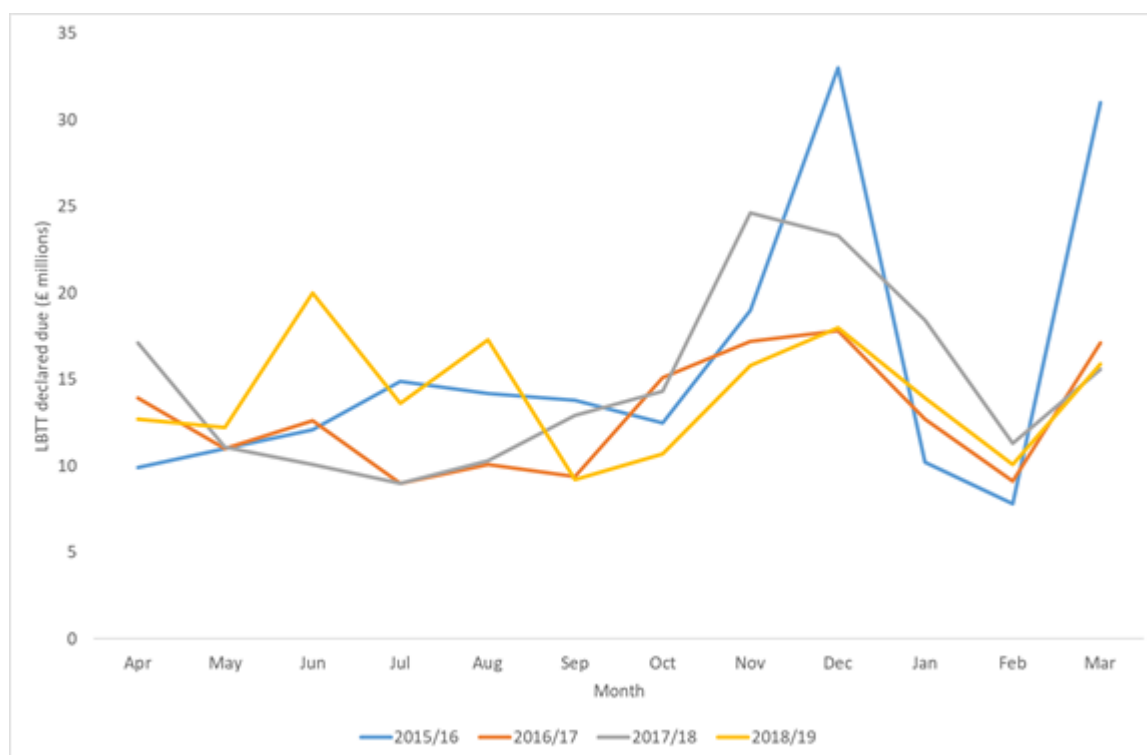


Figure 10: Number of non-residential conveyances received by month and year

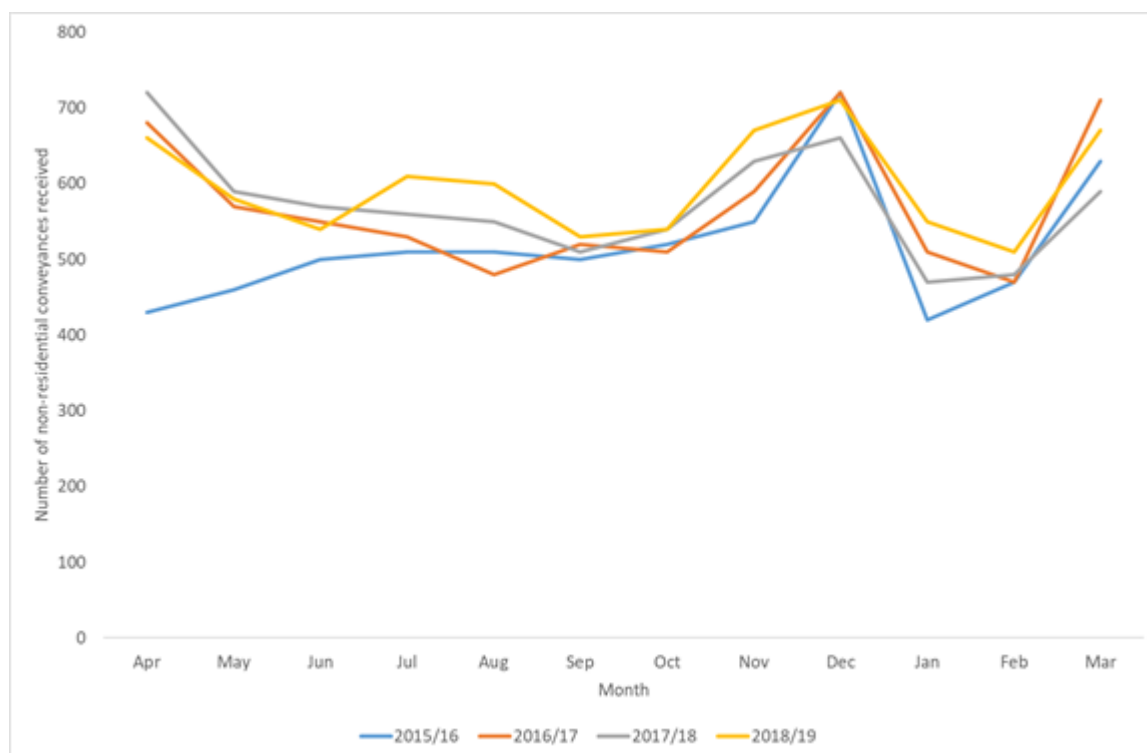


Figure 9 shows LBTT declared due by month and year for non-residential conveyances and **Figure 10** shows the number of non-residential conveyances received by month and year. The number of non-residential conveyances received is relatively stable, with moderate

peaks in November and December and March and April (perhaps linked to the ends of the calendar and financial years) and a slightly quieter period in January and February.

The number of non-residential conveyances received in April and May 2015 is much less than the numbers of non-residential conveyances in those months in later years. This reflects the fact that transactions which concluded prior to 1 April 2015 were subject to UK Stamp Duty Land Tax. Therefore, no LBTT returns corresponding to non-residential conveyances with an effective date prior to 1 April 2015 were received in April or May 2015. Furthermore, some taxpayers may have chosen to conclude transactions prior to 1 April 2015 so that they were subject to UK Stamp Duty Land Tax rather than LBTT (or vice versa) depending on the tax amount due.

LBTT declared due for non-residential conveyances 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. This explains the spikes seen in December 2015, March 2016, November 2017, December 2017 and June 2018.

Figure 11: LBTT declared due by vigintile and year for non-residential conveyances

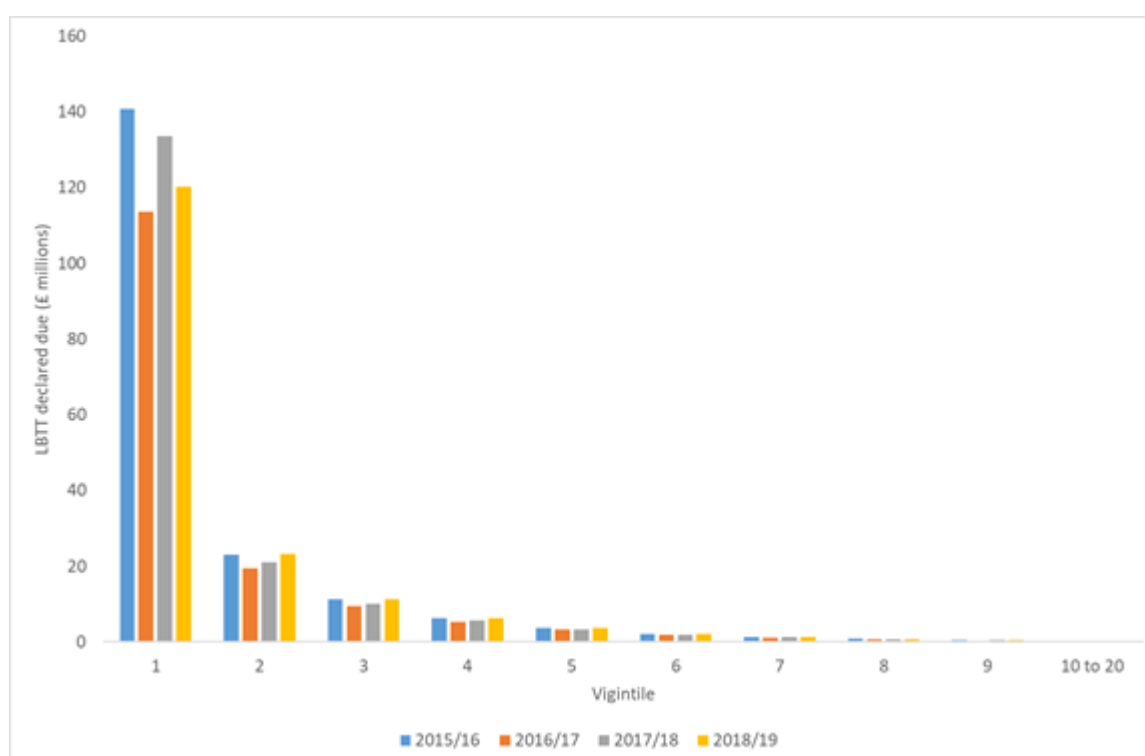


Figure 11 shows LBTT declared due by vigintile⁴ and year for non-residential conveyances. Each year the first vigintile (i.e. the top five per cent of transactions in terms of LBTT declared due) accounts for approximately 71 to 75 per cent of LBTT declared due. In fact, in

⁴ Vigintiles divide data into 20 groups of equal frequency. The vigintiles for each year have been created by ordering the data by descending LBTT declared due. The first vigintile corresponds to the top five per cent of transactions (in terms of LBTT declared due) and so on.

each year the first four vigintiles (i.e. the top 20 per cent of transactions in terms of LBTT declared due) have accounted for over 95 per cent of LBTT declared due.

There are fairly large annual variations in the value of LBTT declared due for the first vigintile and these variations account for the majority of the change in LBTT declared due. For example, between 2017/18 and 2018/19 the LBTT declared due for the first vigintile decreased by approximately £13 million compared to a total decrease of £9 million in LBTT from all non-residential conveyances.

2.5 Leases

In this section we summarise the trends in LBTT declared due for leases and the number of leases received. The vast majority (99 per cent) of leases are non-residential but users should note that the analysis in this section includes a small number of leases which taxpayers have classified as residential on their tax returns. This may be a data quality issue as we would only expect a very small number of leases (close to zero) subject to LBTT to be classified for LBTT purposes as residential. Regardless, the overall tax position remains correct as the LBTT due for a lease transaction is the same whether it is a non-residential or residential lease.

For more information about leases, please see the relevant sections on our website.

<https://www.revenue.scot/land-buildings-transaction-tax/leases>

Table 6: LBTT declared due and number of LBTT returns received by year for leases

	2015/16	2016/17	2017/18	2018/19
LBTT declared due (£ millions)	24.3	22.0	25.0	29.6
Annual percentage change in LBTT declared due		-9.4%	13.5%	18.4%
LBTT returns received	5,270	5,740	5,570	5,160
Annual percentage change in LBTT returns received		8.9%	-2.9%	-7.5%
LBTT declared due per return received ¹ (£)	4,600	3,800	4,500	5,700

Notes:

1. Rounded to the nearest £100.

Table 6 shows the LBTT declared due and number of LBTT returns received by year for leases. Leases account for approximately 5 per cent of LBTT declared due and LBTT returns received.

LBTT from leases was £30 million in 2018/19 – the highest ever. This represents an increase of £5 million (18 per cent) on the previous year despite the number of LBTT returns received decreasing 8 per cent. In fact, in both of the last 2 years, LBTT from leases has increased whilst the number of LBTT returns has decreased. Similar to non-residential conveyances, LBTT from leases is volatile due to fluctuations in the small number of high-value transactions seen in each year.

Figure 12: LBTT declared due by month and year for leases

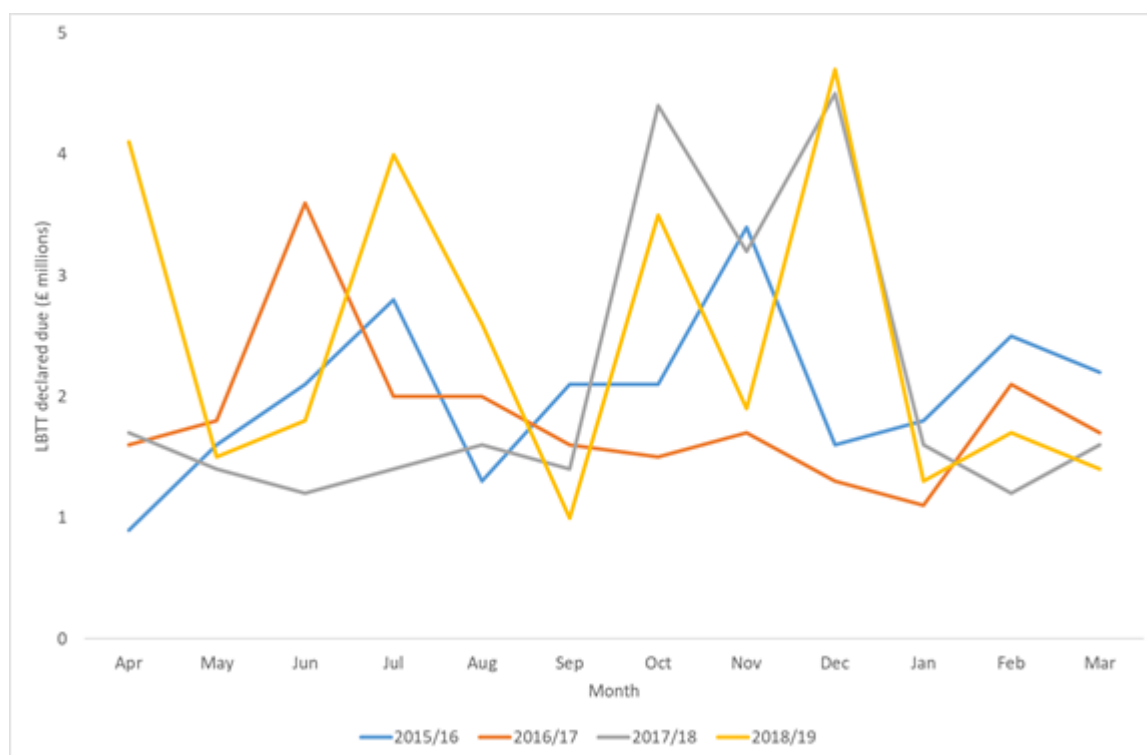


Figure 13: Number of leases received by month and year

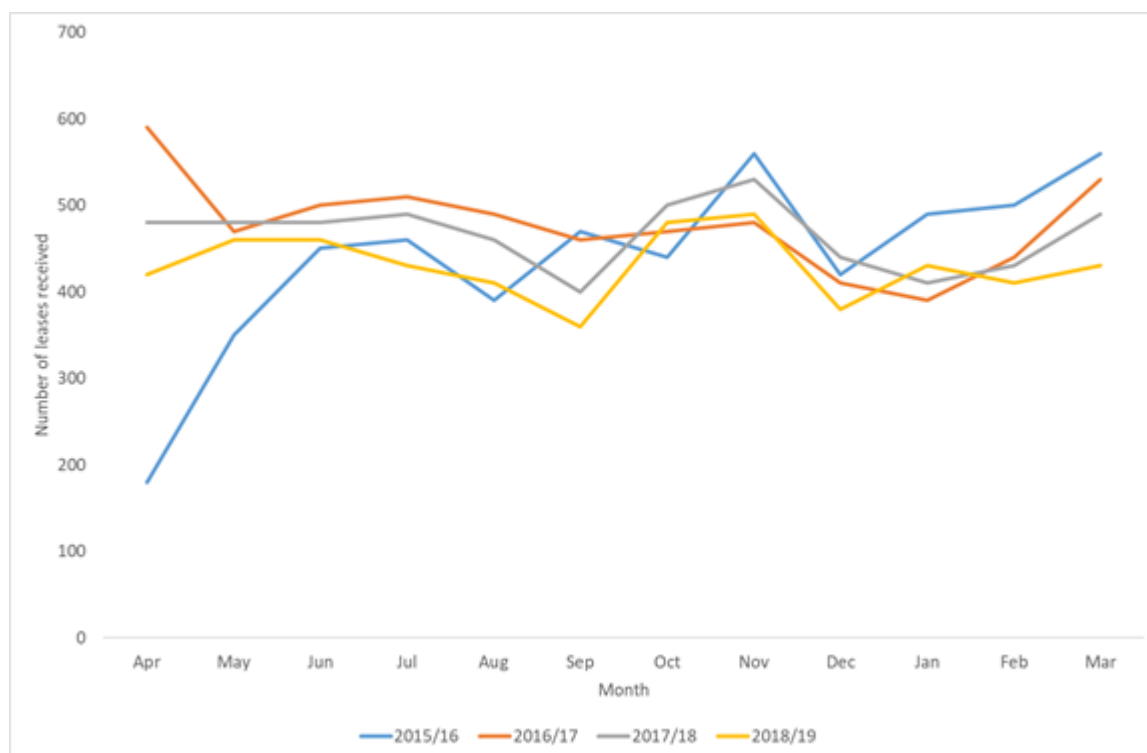


Figure 12 shows LBTT declared due by month and year for leases and the **Figure 13** shows the number of leases received by month and year. Similarly to non-residential conveyances, the number of leases received tends to peak slightly in November and March/April (perhaps

linked to the ends of the calendar and financial years). Unlike conveyances for which there is clearly a quieter period in January and February, it is difficult to identify any obvious trend with regards to a quieter period for leases. In the last four financial years the months in which the least number of leases have been received are April 2015, January 2017 and September 2017 and September 2018.

Similarly to non-residential conveyances (see **Figure 10**), the number of leases received in April and May 2015 is much less than for April and May in later years. This reflects the fact that transactions which concluded prior to 1 April 2015 were subject to UK Stamp Duty Land Tax. Therefore, no LBTT returns corresponding to lease transactions which concluded prior to 1 April 2015 were received in April or May 2015. Furthermore some taxpayers may have chosen to conclude transactions prior to 1 April 2015 so that they were subject to UK Stamp Duty Land Tax rather than LBTT (or vice-versa) depending on the tax due, although in many cases the tax due would have been the same under both taxes.

LBTT declared due for leases exhibits similar variability to non-residential conveyances and a small number of high-value transactions can have a significant impact on the overall tax. This explains the spikes seen in, for example, October 2017, December 2017 and December 2018.

Figure 14: LBTT declared due by vigintile and year for leases

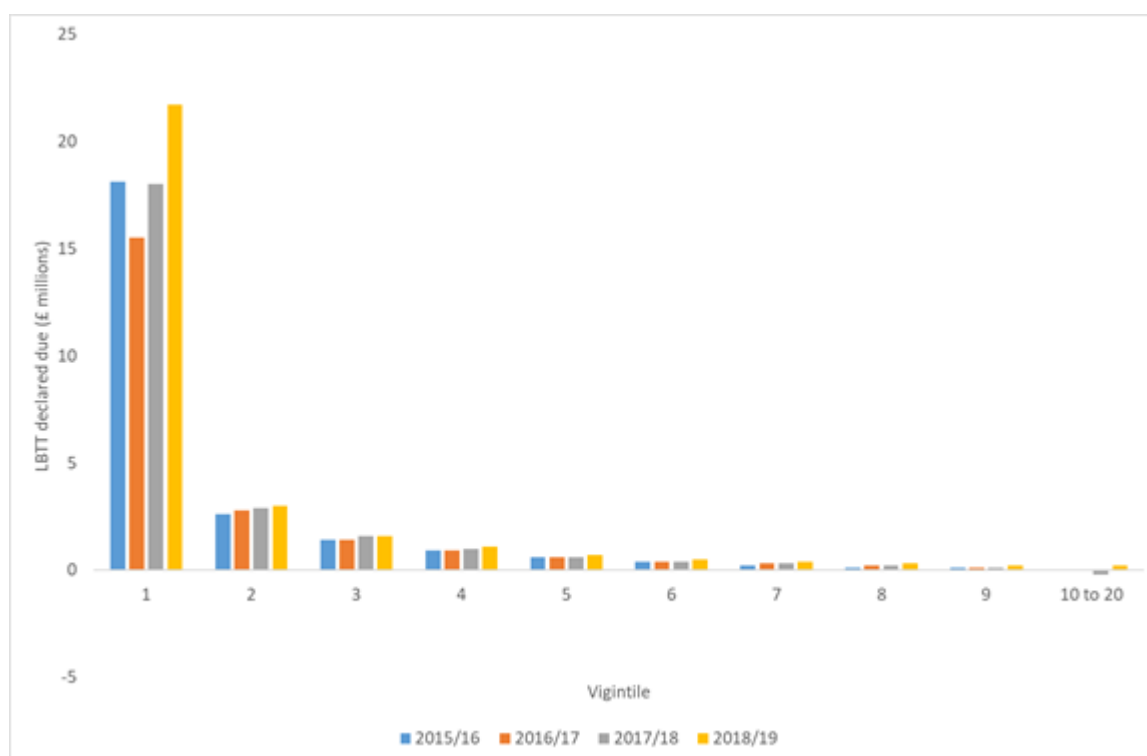


Figure 14 shows LBTT declared due by vigintile and year for leases. Each year the first vigintile (i.e. the top five per cent of transactions in terms of LBTT declared due) accounts for approximately 70 to 74 per cent of LBTT declared due. In fact, in each year the first five vigintiles (i.e. the top 25 per cent of transactions in terms of LBTT declared due) have accounted for over 95 per cent of LBTT declared due.

Similarly to non-residential conveyances, there are large annual variations in the value of LBTT declared due for the first vigintile and these variations account for the majority of the change in LBTT declared due. For example, between 2017/18 and 2018/19 the LBTT declared due for the first vigintile increased by £4 million and accounted for around 80 per cent of the total increase in LBTT declared due.

2.6 Reviews of a lease

In this section we summarise the trends in LBTT declared due for reviews of a lease (three-yearly reviews, assignments and terminations) and the number of reviews of a lease received. The first three-yearly reviews of lease transactions were received from 1 April 2018. Assignations and terminations were received prior to 1 April 2018 but were not distinguished from lease transactions prior to this date. Therefore, the analysis presented is for reviews of a lease submitted in 2018/19.

Table 7: LBTT declared due for reviews of a lease by type of review and the amount due

Type of review	LBTT declared due (£ millions)			
	More than £0	£0	Less than £0	All
Assignment	0.0	0.0	0.0	0.0
Termination	0.0	0.0	-0.3	-0.2
Three-year lease review	1.0	0.0	-0.8	0.2
All	1.0	0.0	-1.0	0.0

Table 7 shows the LBTT declared due for reviews of a lease by type of review and the amount due. The “Less than £0 million” column represents claims for repayments. Three-year lease reviews resulted in net LBTT declared due of £0.2 million. This consisted of £1.0 million in further LBTT due and £0.8 million of repayments claimed. This was offset by terminations which resulted in a net repayment of £0.2 million meaning the overall net LBTT declared due for reviews of a lease was approximately zero.

Table 8: Number of reviews of a lease received by type of review and LBTT declared due

Type of review	Number of reviews of a lease received			
	More than £0	£0	Less than £0	All
Assignment	20	200	10	230
Termination	20	230	60	320
Three-year lease review	410	3,030	250	3,690
All	450	3,460	320	4,230

Table 8 shows the number of reviews of a lease received by type of review and LBTT declared due. Approximately 4,200 reviews of a lease were received of which 82 per cent declared no change in the LBTT due (i.e. the LBTT declared due was £0), 11 per cent declared further LBTT due and 8 per cent claimed a repayment of LBTT. Three-year lease reviews accounted for 87 per cent of reviews of a lease received with terminations accounting for 8 per cent and assignments accounting for the remaining 5 per cent.

2.7 Sub-Scotland

Revenue Scotland does not routinely (i.e. as part of its monthly LBTT Official Statistics publications) publish information on LBTT revenue declared due and returns received by sub-Scotland geographies. However, Revenue Scotland is aware of the wide interest in this data and is committed to publishing annual information on LBTT revenue declared due and returns received by sub-Scotland geographies in this annual publication.

To produce these data, Revenue Scotland has to overcome data quality issues with the raw sub-Scotland geographical information collected by Revenue Scotland.

The main issue is that the property postcode is not a mandatory field. For example, in 2018/19 a valid property postcode was provided for only 83 per cent of residential conveyances and 55 per cent of non-residential conveyances.

The second issue is that there are significant data quality issues with the mandatory local authority information collected by Revenue Scotland. Revenue Scotland asks taxpayers for the local authority that the property is located in. Comparing this information with the property postcode when a valid property postcode is provided indicates that 60 per cent of conveyances where the taxpayer has stated that the mandatory local authority is Midlothian are actually located in City of Edinburgh. There are similar issues with Angus/Dundee City and Stirling/Falkirk. The quality of the mandatory local authority information varies by local authority but there are clearly significant data quality issues when a current local authority name corresponds to the name of a historic county.

Revenue Scotland cannot simply disaggregate the data it collects because of these data quality issues – details of the estimation method used to provide robust data are given below. It is also worth noting that Revenue Scotland is actively pursuing steps to improve the quality of geographical information collected.

In order to provide estimates of LBTT revenue declared due and returns received by sub-Scotland geographies, Revenue Scotland has adopted the following method.

- The property postcode from the LBTT return is used when a valid property postcode is provided.
- If this is not possible then the LBTT return is matched to data on land and property registrations provided by Registers of Scotland and the geographical information associated with the registration is used.
- If neither of the above are possible then the geographical information is imputed by finding a suitable “donor” record for which a valid property postcode is available. The “donor” record is chosen based on other information provided in the original LBTT return with missing geographical data.

This method provides robust estimates for residential and non-residential conveyances. The estimates for residential conveyances will be more reliable because of the higher proportion of residential conveyances with a valid property postcode and the fact that the match rate between LBTT returns and data on land and property registrations provided by Registers of

Scotland is higher for residential conveyances. For example, estimates of residential conveyances received by local authority in 2018/19 (see **Figure 16**) are based on data with an imputation rate of 2 per cent (i.e. 98% of records do not require imputation of geographical data). The equivalent figure for non-residential conveyances⁵ is an imputation rate of 14 per cent.

The method does not work for leases as the Registers of Scotland data does not include information on these transactions. Therefore, estimates are only provided for residential and non-residential conveyances.

Full details of the method used to produce the estimates can be found on the [LBTT data requests section](#)⁶ of the Revenue Scotland website.

Revenue Scotland would like to thank Registers of Scotland for the support provided during this work.

Users should again note that these estimates are not a commentary on the volume or value of land and property transactions in Scotland. Registers of Scotland publish comprehensive property data for Scotland and is the definitive source of data on the property market.

<https://www.ros.gov.uk/data-and-statistics>

⁵ Data for non-residential transactions is not provided at local authority level in this publication to minimise the risk of disclosing personal taxpayer information but is provided at “NUTS 2” geographical level in figures 20 and 21.

⁶ The relevant file is dated 18 January 2019 and named ‘LBTT – Sub-Scotland Estimates of Revenues and Transactions.xlsx’.

Figure 15: Estimates of LBTT excluding ADS declared due by local authority and year for residential conveyances

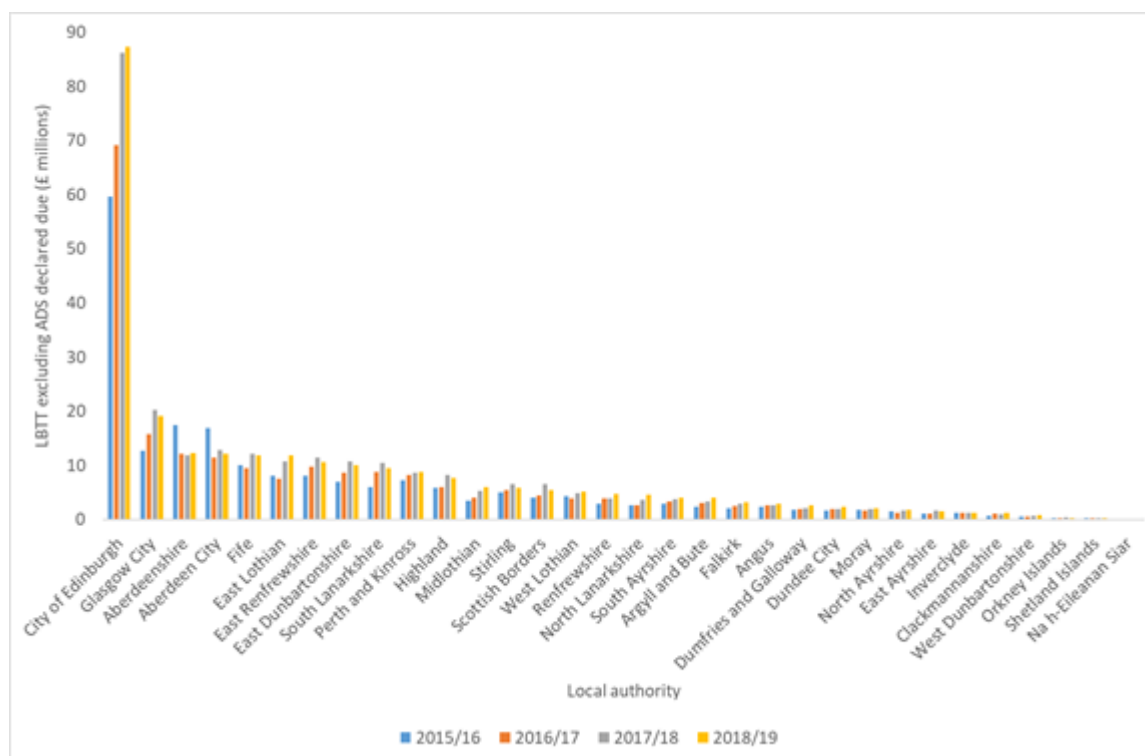


Figure 15 shows estimates of LBTT excluding ADS declared due by local authority and year for residential conveyances. City of Edinburgh accounted for £87 million (33 per cent) of revenues in 2018/19. This was over 4 times more than any other local authority. Glasgow City accounted for £19 million (7 per cent) of revenues in 2018/19, the second highest of all local authorities. City of Edinburgh has accounted for 30 to 33 per cent of revenues in each of the last four years. No other local authority has ever accounted for more than 9 per cent of revenues.

Since 2015/16, revenues from Aberdeenshire and Aberdeen City have decreased by 30 per cent (a decrease of £5 million) and 29 per cent (a decrease of £5 million), respectively. This contrasts with Scotland as a whole where, since 2015/16, revenue has increased by 29 per cent.

Figure 16: Estimates of the number of residential conveyances received by local authority and year

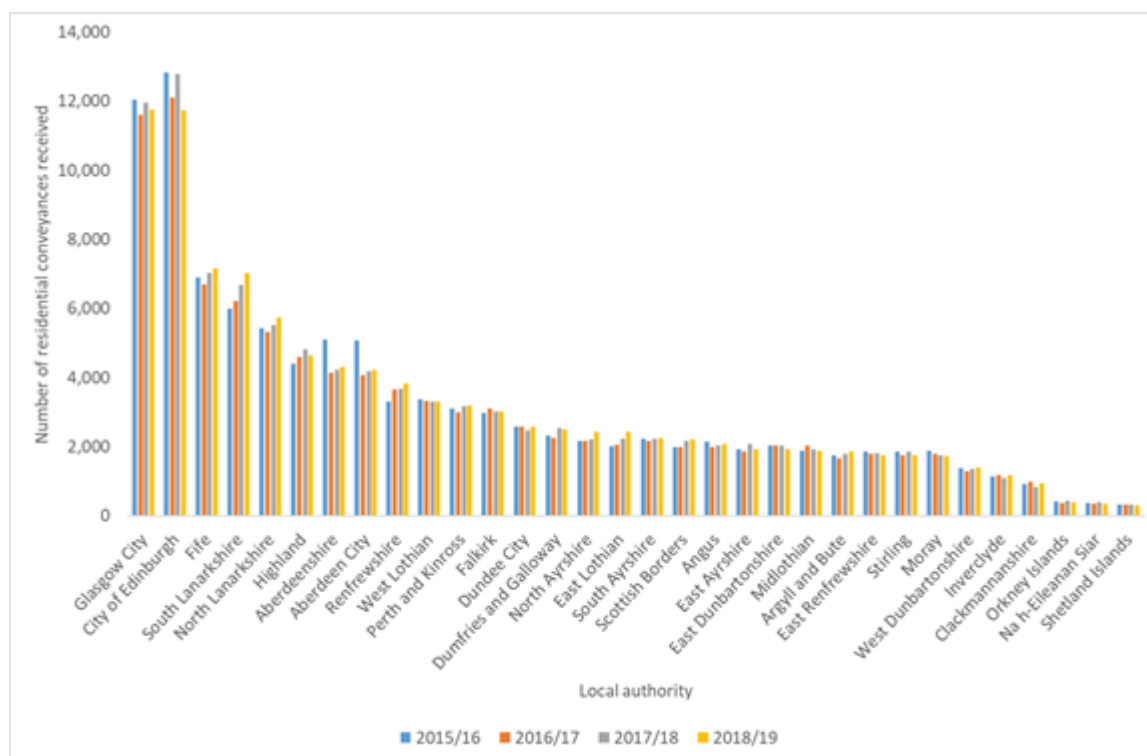


Figure 16 shows estimates of the number of residential conveyances received by local authority and year. Glasgow City accounted for most residential conveyances received in 2018/19 with 11,800 (11 per cent) returns, marginally ahead of City of Edinburgh with 11,700 (11 per cent) returns.

The largest absolute decrease in residential conveyances received since 2015/16 has occurred in City of Edinburgh where there has been a decrease of 1,100 over the period. Despite this, the LBTT excluding ADS declared due has increased by £28 million (46 per cent) in City of Edinburgh over the same period.

The largest percentage decreases in residential conveyances received since 2015/16 have occurred in Aberdeen City (17 per cent) and Aberdeenshire (16 per cent). The largest percentage increases in residential conveyances received since 2015/16 have occurred in East Lothian (20 per cent), South Lanarkshire (17 per cent) and Renfrewshire (16 per cent).

Figure 17: Estimates of gross ADS declared due by local authority, intention to reclaim ADS and year for residential conveyances

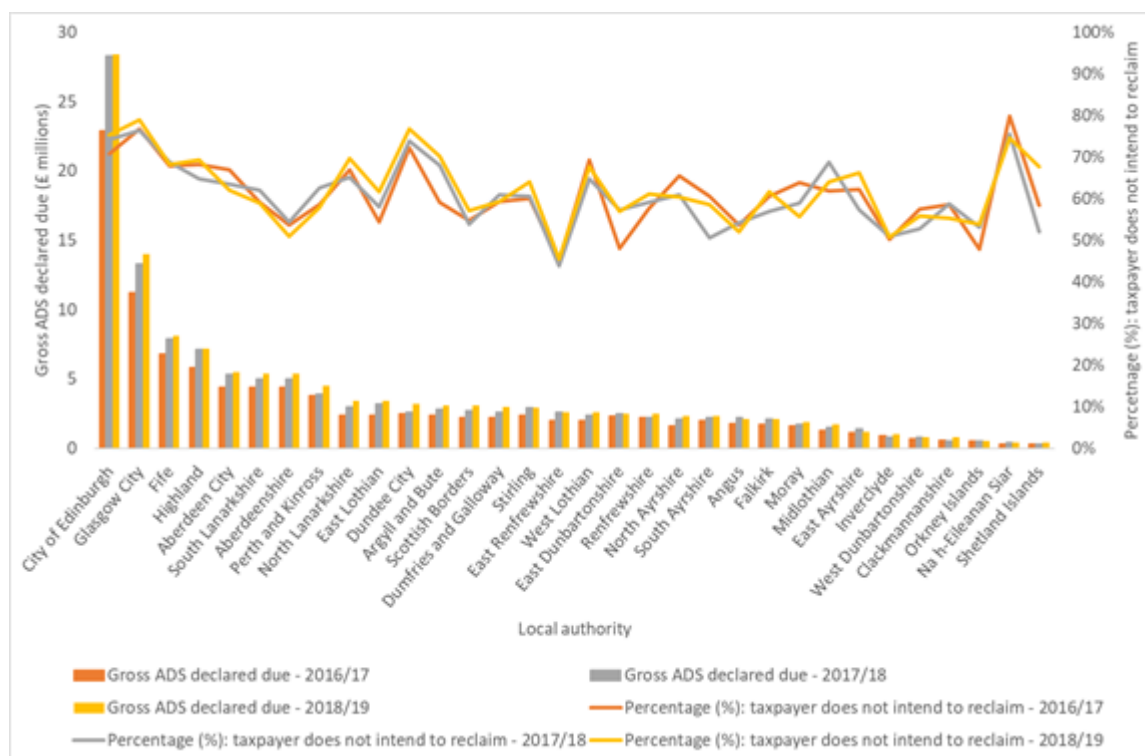


Figure 17 shows estimates of gross ADS declared due by local authority, intention to (not) reclaim ADS and year for residential conveyances. City of Edinburgh accounted for most gross ADS declared due in 2018/19 with £28 million (22 per cent) ahead of Glasgow City with £14 million (11 per cent). It is evident that the proportion of gross ADS declared due in City of Edinburgh is less than the proportion of LBTT excluding ADS declared due in City of Edinburgh (see **Figure 15**). This is because the ADS rate is flat whereas the LBTT rate excluding ADS is progressive, hence the effective tax rate (i.e. the ratio of LBTT excluding ADS due to total consideration) increases with total consideration.

Taxpayers stating that they do not intend to reclaim ADS accounted for £21 million (75 per cent) of the gross ADS declared due in City of Edinburgh and £11 million (79 per cent) of the gross ADS declared due in Glasgow City. The proportion of gross ADS declared due by taxpayers stating that they do not intend to reclaim ADS was highest in Glasgow City (79 per cent) and lowest in East Renfrewshire (45 per cent).

Figure 18: Estimates of the number of LBTT returns received with ADS declared due by local authority, intention to reclaim ADS and year for residential conveyances

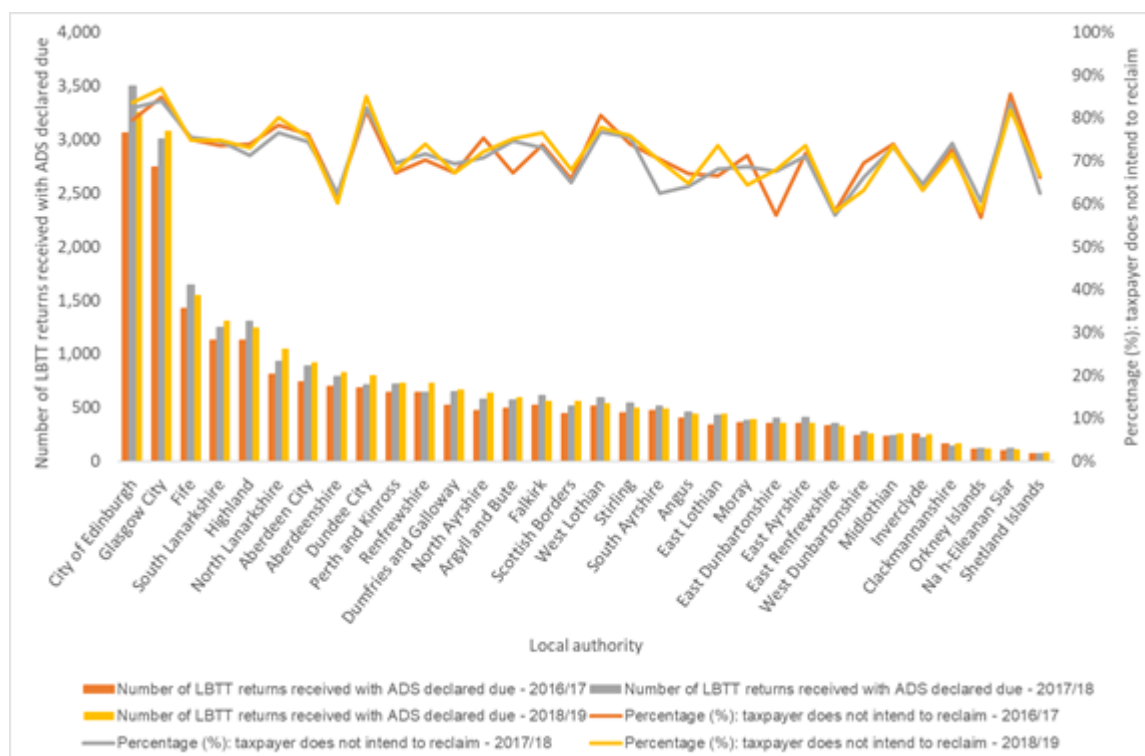


Figure 18 shows estimates of the number of LBTT returns received with ADS declared due by local authority, intention to (not) reclaim ADS and year for residential conveyances. City of Edinburgh accounted for most residential conveyances received with ADS declared due in 2018/19 with 3,300 (14 per cent) returns ahead of Glasgow City with 3,100 (13 per cent) returns.

Taxpayers stating that they do not intend to reclaim ADS accounted for 2,700 (84 per cent) of LBTT returns received with ADS declared due in City of Edinburgh and 2,700 (87 per cent) of LBTT returns received with ADS declared due in Glasgow City. The proportion of LBTT returns received with ADS declared due where the taxpayer has stated that they do not intend to reclaim ADS was highest in Glasgow City (87 per cent) and lowest in East Renfrewshire and Orkney Islands (both 58 per cent).

Figure 19: Estimates of the percentage (%) of LBTT returns received with ADS declared due where the taxpayer does not intend to reclaim ADS by local authority and year for residential conveyances

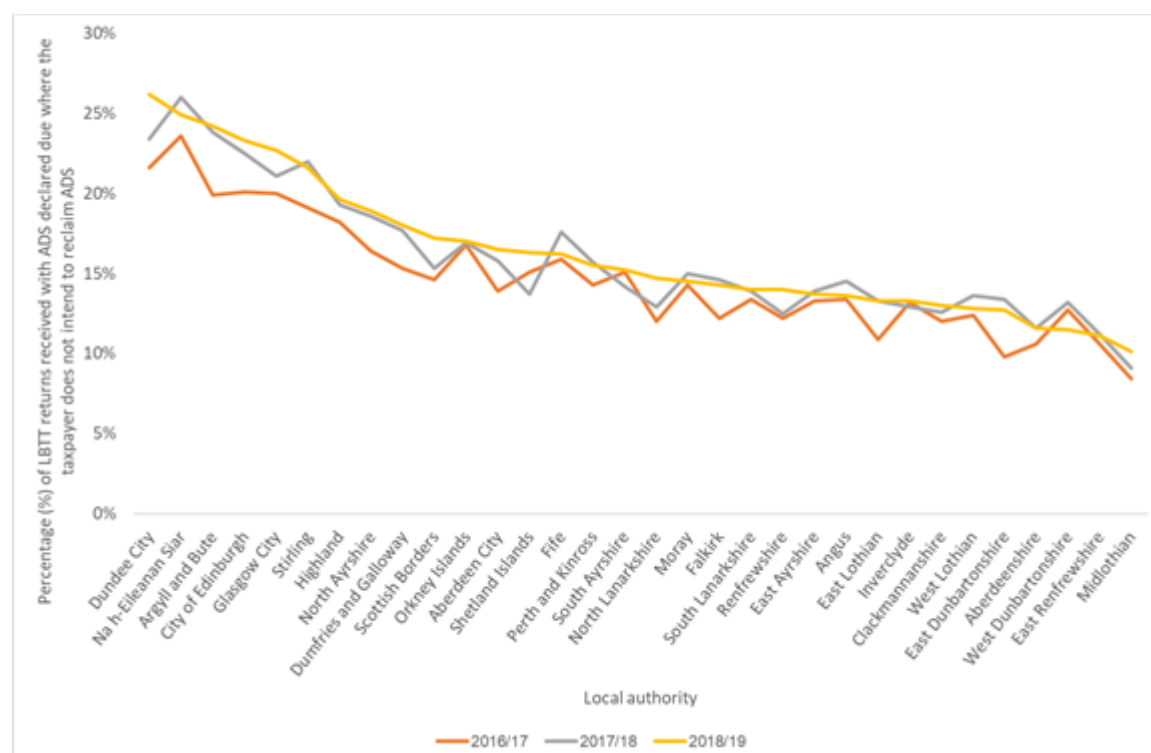


Figure 19 shows estimates of the percentage of LBTT returns received with ADS declared due where the taxpayer does not intend to reclaim ADS by local authority and year for residential conveyances. This is an indicative measure of the percentage of all residential conveyances where the taxpayer is purchasing an additional property (e.g. buy-to-let dwelling or a second home) rather than replacing their main residence. In 2018/19 this was highest in Dundee City (26 per cent) and lowest in Midlothian (10 per cent).

Figure 20: Estimates of LBTT declared due by NUTS 2 area and year for non-residential conveyances

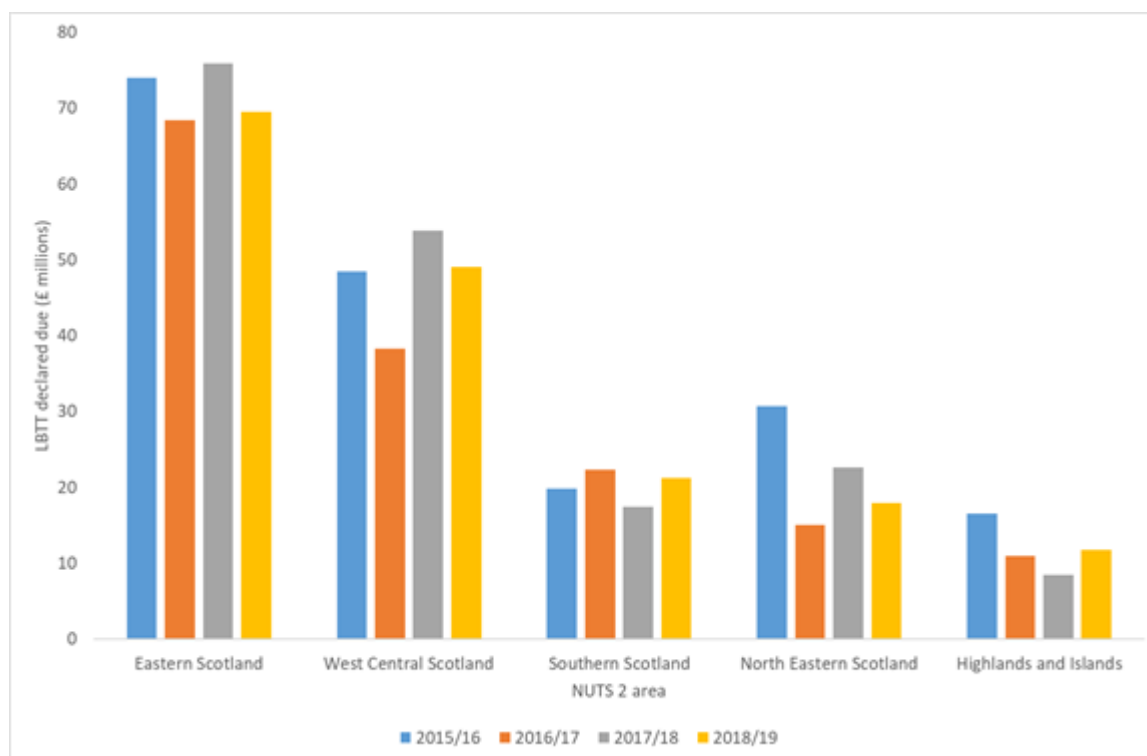


Figure 21: Estimates of the number of non-residential conveyances received by NUTS 2 area and year

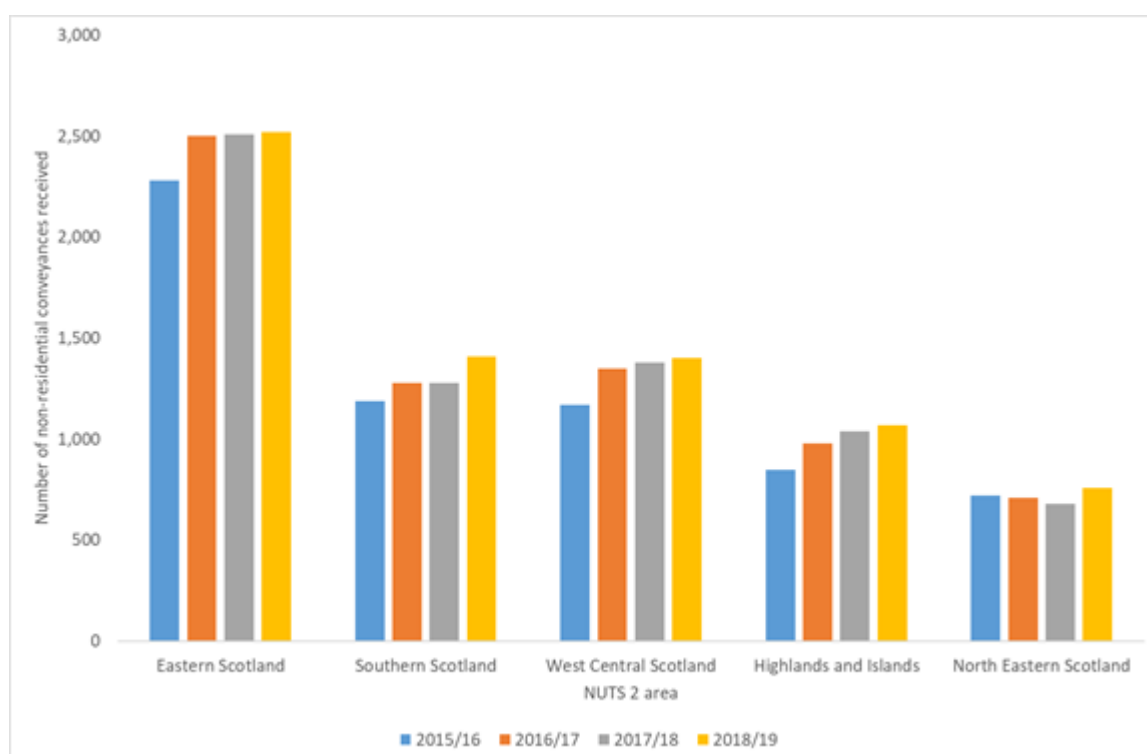


Figure 20 shows estimates of LBTT declared due by NUTS 2 (geographical) area and year for non-residential conveyances and **Figure 21** shows estimates of the number of non-residential conveyances received by NUTS 2 area and year. Sub-Scotland estimates of LBTT declared due and the number of LBTT returns received for non-residential conveyances are provided by NUTS 2 areas instead of local authority areas to minimise the risk of disclosing protected taxpayer information. Eastern Scotland has accounted for the majority of LBTT declared due (39 to 44 per cent) and transactions (35 to 37 per cent) in each of the last four years. Care should be taken when interpreting annual changes in LBTT declared due by NUTS 2 areas as revenues can be influenced by small numbers of very large transactions.

2.8 Reliefs

Revenue Scotland does not routinely (i.e. as part of its monthly LBTT Official Statistics publications) publish information on LBTT revenue forgone to reliefs and the number of LBTT returns received in which LBTT revenue has been forgone to reliefs. However, Revenue Scotland is aware of the wide interest in this data and is committed to publishing annual information on reliefs via this annual publication.

To produce these data, Revenue Scotland has to overcome data quality issues with the raw reliefs information collected by Revenue Scotland, although these issues do not affect the tax declared for the relevant transactions. The main issue is that six per cent of taxpayers have incorrectly entered the value of the relief claimed as the full consideration (e.g. property price) – not the LBTT due gross of reliefs. This means that simply summing the value of reliefs claimed on tax returns would overstate the value of LBTT revenue forgone to reliefs. Therefore, 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](#)⁷ of the Revenue Scotland website.

Revenue Scotland is actively pursuing steps to improve the quality of reliefs information collected.

It is worth noting that the estimates are likely to underestimate ADS (and consequently LBTT) revenue forgone to reliefs. ADS is due on every purchase of a residential property by a non-natural person, such as a company. When a full relief is claimed that eliminates the LBTT liability then Revenue Scotland's guidance on how to make a return advises that the return should be submitted without the ADS being declared as due. Therefore, 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.

⁷ The relevant file is dated 11 October 2018 and named 'LBTT – reliefs.xlsx'.

Table 9: Estimated LBTT revenue forgone to reliefs and the number of LBTT returns received in which LBTT revenue has been forgone to reliefs by year

Year	LBTT revenue forgone (£ millions)			Number of LBTT returns received in which LBTT revenue has been forgone to reliefs		
	LBTT excluding ADS	ADS ¹	All	LBTT excluding ADS	ADS ¹	All ²
2015/16	123.0	0.0	123.0	1,590	0	1,590
2016/17	99.5	3.0	102.5	1,780	210	1,820
2017/18	86.5	6.2	92.7	1,950	250	2,020
2018/19	122.2	4.3	126.5	9,920	310	10,010

Notes:

1. ADS revenue forgone to reliefs is distinct from claims for repayment of ADS following the sale of the taxpayer's previous main residence.

2. An LBTT return may have LBTT excluding ADS and ADS revenue forgone to reliefs if both are due and relief is claimed. This column counts LBTT returns where LBTT excluding ADS or ADS revenue has been forgone to reliefs and, therefore, will not equal the sum of the previous two columns.

Table 9 shows the estimated LBTT revenue forgone to reliefs and the estimated number of LBTT returns received in which LBTT revenue has been forgone to reliefs by year. It is estimated that £126 million of LBTT revenue was forgone to reliefs in 2018/19 which represents an increase of £34 million (36 per cent) on the previous year and is the highest ever. Prior to 2018/19, the estimated LBTT revenue forgone to reliefs had been decreasing by approximately £15 million per year.

The number of LBTT returns received in which LBTT revenue has been forgone to reliefs has increased each year. In 2018/19 there were approximately 10,000 LBTT returns received in which LBTT revenue was forgone to reliefs and this represents an increase of approximately 8,000 (395 per cent) on the previous year. The reason for this, which will be expanded on in the remainder of this section, is the introduction of first-time buyer relief on 30 June 2018. For further information on first-time buyer relief see the guidance published by Revenue Scotland.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/exemptions-reliefs/lbtt3010-3#overlay-context=node/946/revisions/2116/view>

ADS revenue forgone to reliefs⁸ is estimated to have accounted for 4 per cent of LBTT revenue forgone to reliefs since 2016/17. Furthermore, 6 per cent of LBTT returns received since 2016/17 in which LBTT revenue has been forgone to reliefs have ADS revenue forgone to reliefs.

⁸ ADS revenue forgone to reliefs is distinct from claims for repayment of ADS following the sale of the taxpayer's previous main residence.

Table 10: Estimated LBTT revenue forgone to reliefs and number of LBTT returns received in which LBTT revenue has been forgone to reliefs by type of property and year

Year	LBTT revenue forgone (£ millions)			Number of LBTT returns received in which LBTT revenue has been forgone to reliefs		
	Residential	Non-residential	All	Residential	Non-residential	All
2015/16	15.3	107.7	123.0	890	700	1,590
2016/17	12.0	90.5	102.5	1,050	770	1,820
2017/18	12.1	80.6	92.7	1,180	840	2,020
2018/19	15.6	110.8	126.5	9,160	850	10,010

Table 10 shows the estimated LBTT revenue forgone to reliefs and the estimated number of LBTT returns received in which LBTT revenue has been forgone to reliefs by type of property and year. Non-residential transactions have accounted for the majority of LBTT revenue forgone to reliefs with residential transactions having accounted for only 12 per cent of LBTT revenue forgone to reliefs. In contrast, residential transactions have accounted for the majority of LBTT returns received in which LBTT revenue has been forgone to reliefs having accounted for, on average, 80 per cent of such returns (57% for first 3 years, rising to 92% in 2018-19 following the introduction of First Time Buyer relief).

Figure 22: Estimated LBTT revenue forgone to reliefs by type of relief and year

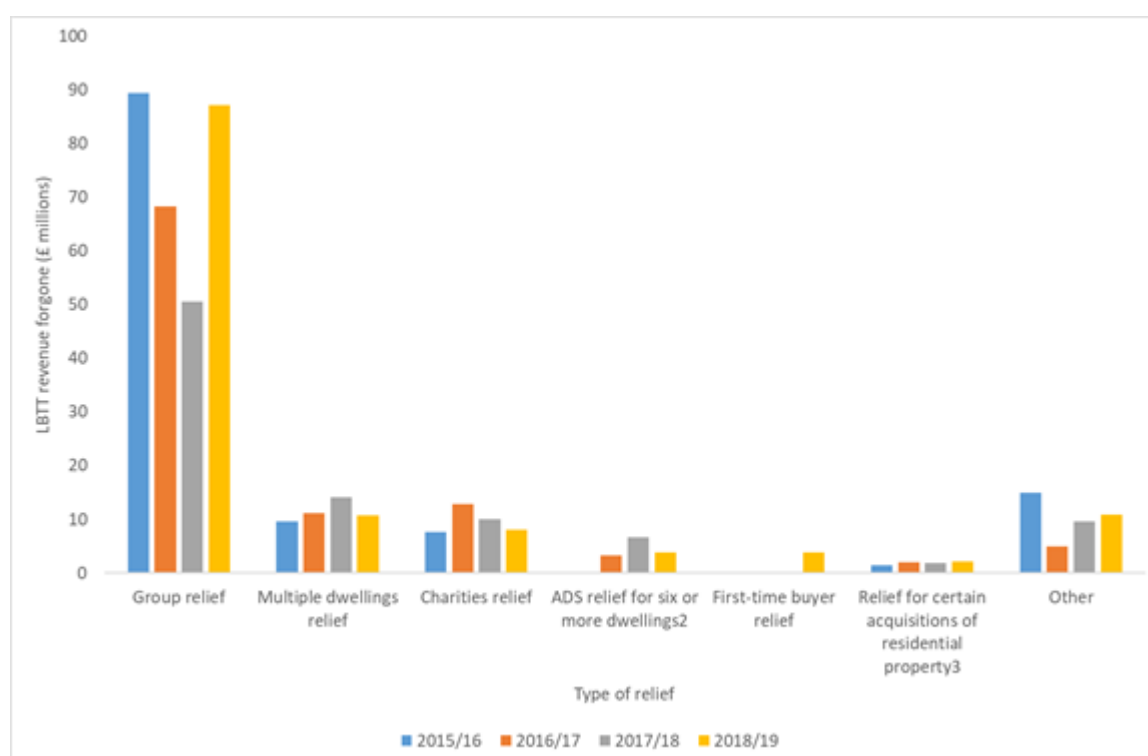


Figure 22 shows the estimated LBTT revenue forgone to reliefs by type of relief and year. Group relief is estimated to have accounted for the majority (55 to 73 per cent) of revenue forgone each year. An estimated £87 million of LBTT revenue was forgone to group relief in 2018/19 which represents an increase of £37 million (72 per cent) on the previous year. Prior to 2018/19, the estimated LBTT revenue forgone to group relief had been decreasing

by approximately £19 million per year. Changes in the estimated LBTT revenue forgone to reliefs are driven by changes in that forgone to group relief.

Subject to certain rules, group relief provides relief from LBTT where, at the effective date, the seller and buyer are both companies in the same group. Where the rules are met, this allows companies to move property within a corporate group structure for commercial reasons without a liability to LBTT being incurred. For further information on group relief see the guidance published by Revenue Scotland.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/exemptions-reliefs/lbtt3010/lbtt3025>

Users of this data should note that if group relief was unavailable it is likely that many of the transactions that benefit from the relief would not take place.

Multiple dwellings relief was second behind group relief in terms of LBTT revenue forgone to reliefs in 2018/19 and accounted for 8 per cent of the revenue forgone. For further information on multiple dwellings relief see the guidance published by Revenue Scotland.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/exemptions-reliefs/lbtt3010/lbtt3015>

Figure 23: Estimated number of LBTT returns received in which LBTT revenue has been forgone to relief by type of relief and year

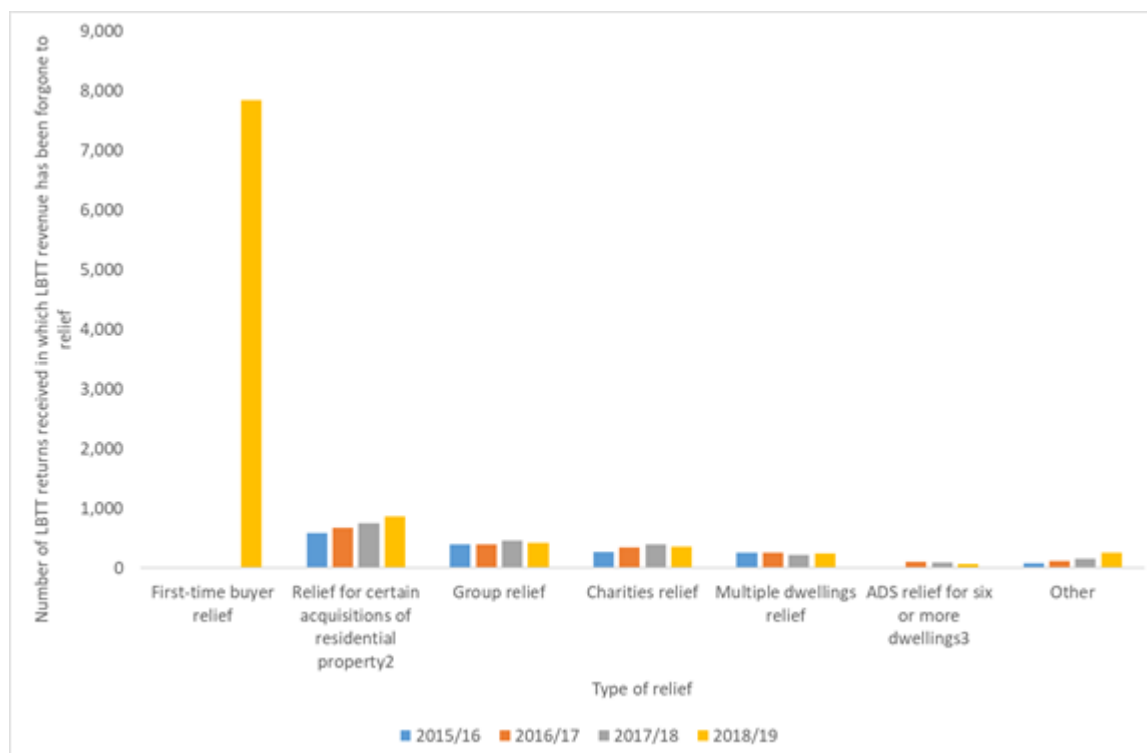


Figure 23 shows the estimated number of LBTT returns received in which LBTT revenue has been forgone to relief by type of relief and year. In 2018/19, the year in which first-time

buyer relief was introduced (on 30 June 2018), first-time buyer relief was the most frequently claimed relief accounting for 7,800 (78 per cent) of LBTT returns received in which LBTT revenue was forgone to relief.

Despite accounting for almost four out of every five LBTT returns received in which LBTT revenue was forgone to relief, **Figure 22** shows that first-time buyer relief accounted for only £3.8 million (3 per cent) of the estimated LBTT revenue forgone to reliefs. The introduction of first-time buyer relief has resulted in a large increase in the number of LBTT returns received in which LBTT revenue has been forgone to reliefs (as shown in **Table 9** and **Figure 23**) and a much smaller increase in the LBTT revenue forgone to reliefs (as shown in **Figure 22**). It is clear from **Figure 22** that the main reason for the increase in the estimated LBTT revenue forgone to reliefs in 2018/19 was the increase in LBTT revenue forgone to group relief not the introduction of first-time buyer relief.

Relief for certain acquisitions of residential property was the second most frequently claimed relief in 2018/19, accounting for 9 per cent of LBTT returns received in which LBTT revenue was been forgone to relief. This relief includes

- relief where a house building company buys a home from a person who is buying a new home,
- relief where a property trader buys a home from a person who is buying a new home from a house building company, and
- relief where a property trader buys a home to avoid a chain of transactions breaking down.

For further information see the guidance published by Revenue Scotland.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/exemptions-reliefs/lbtt3010-tax>

3. Scottish Landfill Tax (SLfT)

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

SLfT also applies to the prescribed landfill activities relating to the use of material on site that are listed in the Scottish Landfill Tax (Prescribed Landfill Site Activities) Order 2014.

<http://www.legislation.gov.uk/ssi/2014/367/made>

For more information about SLfT, please see the relevant sections on our website.

<https://www.revenue.scot/scottish-landfill-tax>

The current rates for SLfT are set by the Scottish Government and approved by the Scottish Parliament.

<https://www.revenue.scot/scottish-landfill-tax/guidance/slft-legislation-guidance/determining-tax/slft2002>

Table 11: Declared taxable disposals by SLfT rate and year

Year	Declared taxable disposals (tonnes)		
	Standard rate	Lower rate	All
2015/16	1,869,300	1,050,300	2,919,600
2016/17	1,816,400	771,600	2,588,000
2017/18	1,775,100	790,200	2,565,300
2018/19	1,650,100	739,500	2,389,600

Table 11 shows declared taxable (waste) disposals by SLfT rate and year. Standard rate disposals of 1.65 million tonnes were declared in 2018/19 representing a decrease of 0.12 million tonnes (7 per cent) on the previous year. Standard rate disposals have decreased each year since 2015/16 by a total of 0.22 million tonnes (12 per cent) over the period, with the largest decrease occurring between 2017/18 and 2018/19. Possible factors for the decreasing trend include diversion of waste to alternative disposal methods (e.g. incineration). Detailed waste data is published by the Scottish Environment Protection Agency⁹.

<https://www.legislation.gov.uk/sdsi/2012/9780111016657/contents>

Lower rate disposals of 0.74 million tonnes were declared in 2018/19. Since 2015/16 lower rate disposals have decreased by approximately 0.31 million tonnes (30 per cent). This decrease in lower rate disposals occurred mainly between 2015/16 and 2016/17 and the main reason for the decrease was the cessation of taxable activity by a small number of operators.

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

Year	£ millions							
	Gross SLfT declared due			Contributions to SLCF	Credit claimed for			Net SLfT declared due
	Standard rate disposals	Lower rate disposals	All ¹		Contributions to SLCF ²	Other ³	All	
2015/16	154.4	2.7	157.7	9.1	8.2	0.2	8.4	149.3
2016/17	153.3	2.0	156.3	8.9	8.0	0.3	8.3	148.0
2017/18	152.8	2.1	155.0	9.0	8.1	0.3	8.4	146.6
2018/19	146.8	2.1	148.9	8.0	7.2	0.4	7.6	141.3

Notes:

1. For 2015/16 and 2016/17 this column will not equal the sum of the previous two columns. This is because of a small number of operators who have not reported the tonnages associated with taxable disposals subject to a partial water discount. The disposals were included in the gross SLfT declared due and, therefore, do not have any tax implications.

2. Taxpayers can claim a credit equal to 90 percent of their contribution to the SLCF.

3. Credit claimed for bad debt and permanent removals.

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

⁹ <https://www.sepa.org.uk/environment/waste/waste-data/>

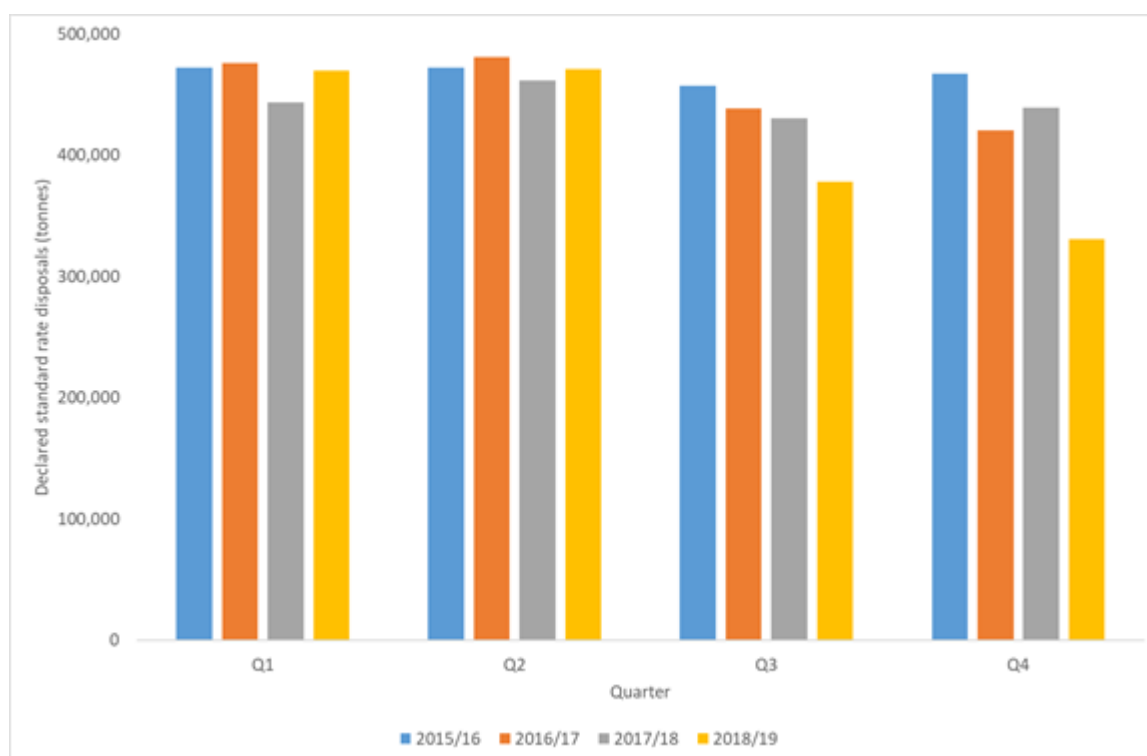
The net SLfT declared due is mainly dependent on standard rate disposals, lower rate disposals and contributions to the SLCF¹⁰. The rates at which standard and lower rate disposals are taxed are set by the Scottish Government and vary each year. For further information on SLfT rates see the guidance published by Revenue Scotland.

<https://www.revenue.scot/scottish-landfill-tax/guidance/slft-legislation-guidance/determining-tax/slft2002>

Since 2015/16 the tax rate for standard rate disposals has been around 32 times higher than that for lower rate disposals. Gross SLfT liabilities are, therefore, dominated by standard rate disposals.

Net SLfT declared due was £141 million in 2018/19 representing a decrease of £5 million (4 per cent) on the previous year. The net SLfT declared due has decreased each year since 2015/16 by a total of £8 million (5 per cent) over the period. Similar to standard rate disposal tonnages, the largest decrease in revenue occurred between 2017/18 and 2018/19. Contributions to the SLCF have been fairly constant (at around £9 million per year), hence the decrease in net SLfT is predominantly due to standard rate disposal tonnages decreasing faster than the (inflationary) increase in the rate at which standard rate disposals are taxed.

Figure 24: Declared standard rate disposals by quarter and year



¹⁰ Taxpayers can claim a credit of 90 per cent of their contribution to the SLCF which is then deducted from their gross SLfT liability.

Figure 25: SLfT declared due by quarter and year

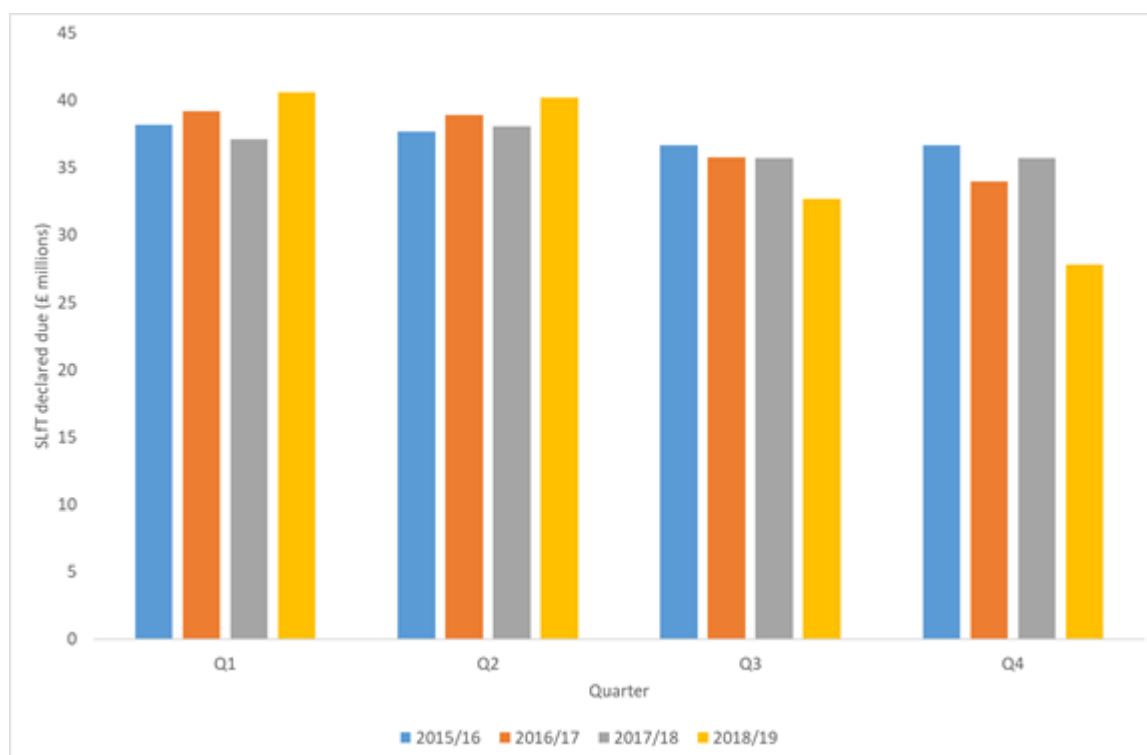


Figure 24 shows declared standard rate disposal tonnages by quarter and year and **Figure 25** shows the (net) SLfT declared due by quarter and year. **Figure 24** shows that the standard rate disposal tonnages declared in Q1 (April to June) and Q2 (July to September) tend to be slightly higher than in Q3 (October to December) and Q4 (January to March). Between 2015/16 and 2017/18¹¹ the standard rate disposals declared in Q1 and Q2 were 6 per cent higher than those declared in Q3 and Q4.

Figure 25 shows that the seasonality observed in the SLfT declared due is similar to that observed for standard rate disposal tonnages which is to be expected as the revenue is predominantly due to standard rate disposals. **Figure 25** shows that the SLfT declared due in Q1 and Q2 tends to be higher than in Q3 and Q4. Between 2015/16 and 2017/18 the SLfT declared due in Q1 and Q2 was 7 per cent higher than that declared in Q3 and Q4.

¹¹ Including 2018/19 would likely overstate the extent of the variation between quarters 1 and 2 (April to September) and quarters 3 and 4 (October to March) because of the marked decrease in standard rate disposals from 2018/19-Q3 onwards.

Figure 26: Declared taxable disposals by SLfT rate and quarter

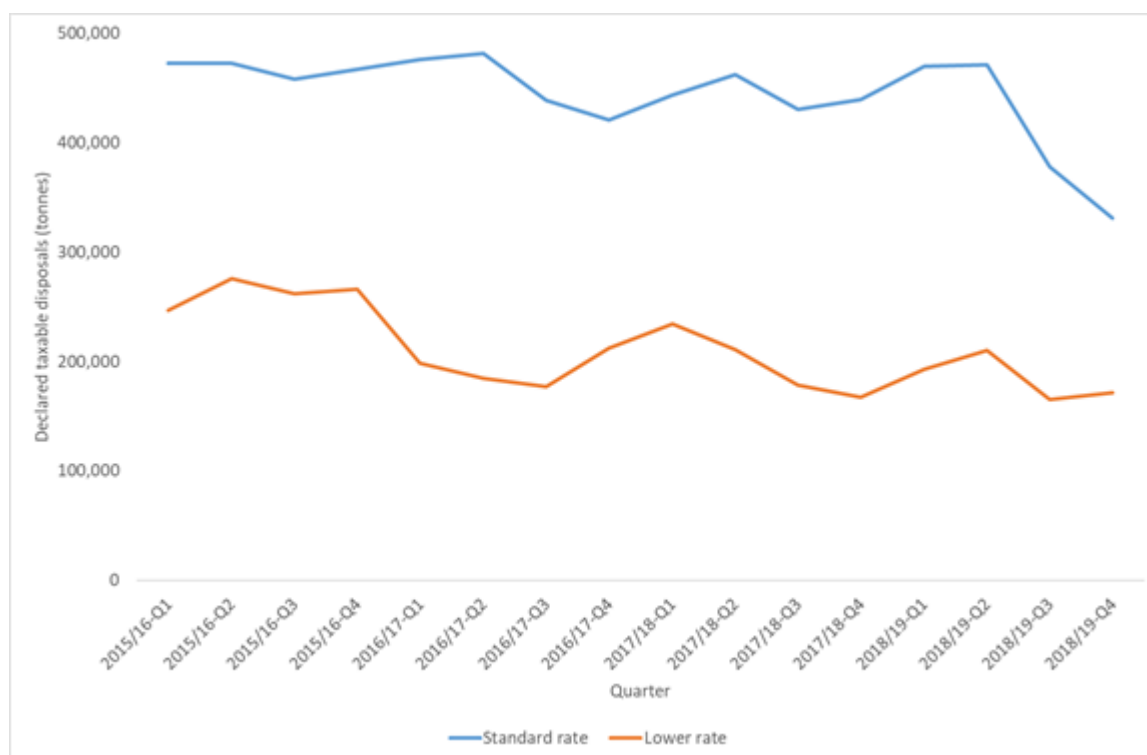


Figure 26 shows declared taxable disposals by SLfT rate and quarter. In addition to the seasonality discussed above, **Figure 26** shows a gradual downward trend in standard and lower rate disposals up to and including 2018/19-Q2 followed by a more marked decrease in the level of standard rate disposals from 2018/19-Q3 onwards.

Revenue Scotland collects information on the types of waste constituting the taxable disposals in the supplementary spreadsheets submitted with SLfT returns. The waste is categorised using European Waste Catalogue (EWC) codes. For further information on EWC codes see the guidance published by the Scottish Environment Protection Agency.

https://www.sepa.org.uk/media/163421/ewc_guidance.pdf

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

EWC code	Description	Estimated proportion of total gross SLfT declared due			
		2015/16	2016/17	2017/18	2018/19
20 03 01	mixed municipal waste	64.7%	62.8%	63.0%	58.6%
19 12 12	other wastes (including mixtures of materials) from mechanical treatment of wastes other than those mentioned in 19 12 11	22.6%	24.0%	25.2%	28.7%
Other		12.7%	13.2%	11.8%	12.7%

Notes:

The method for estimating these proportions has been reviewed since last year and revised to calculate these proportion using estimates of total gross revenue derived from tonnage data (provided by landfill operators in "supplementary spreadsheets") rather than directly from revenue reported in tax returns. This gives a more consistent treatment of a small number of tax returns where EWC code data was not provided. The impact of this change has been to slightly reduced the proportion of gross SLfT declared due attributable to the EWC codes 20 03 01 and 19 12 12 (from averages of 65.7% to 63.5% for 20 03 01 and 24.8% to 23.9% for 19 12 12), between 2015/16 and 2017/18 and to increase the proportion attributable to other EWC codes by an average of around 3.1 percentage points for the same period.

Table 13 shows the proportion of gross SLfT declared due by EWC code and year. Each year between 59 to 65 per cent of the gross SLfT declared due is attributable to disposals of EWC code 20 03 01 - mixed municipal waste. A further 23 to 29 per cent of the gross SLfT due is attributable to disposals of EWC code 19 12 12 – other wastes (including mixtures of materials) from mechanical treatment of wastes other than those mentioned in 19 12 11. Disposals of these two waste streams have accounted for the majority (87 to 88 per cent) of gross SLfT declared due each year.

Users of this data should note that as EWC code 19 12 12 constitutes waste “from the mechanical treatment of waste” then it will contain other waste types (i.e. other EWC codes) that have then been mechanically treated.

Table 14: Taxable disposals by EWC code and SLfT rate

EWC code	Description	Row percentages (%)		Taxable disposals (tonnes)
		Standard rate	Lower rate	
20 03 01	mixed municipal waste	100.0%	0.0%	4,440,400
19 12 12	other wastes (including mixtures of materials) from mechanical treatment of wastes other than those mentioned in 19 12 11	69.7%	30.3%	2,525,000
Other or unknown		26.1%	73.9%	3,497,100

Table 14 shows taxable disposals by EWC code and SLfT rate. EWC code 20 03 01 – mixed municipal waste - has, on average, accounted for 1.1 million tonnes per year of disposals where tax was declared due. All disposals of mixed municipal waste where tax was declared due have been declared as subject to the standard rate of SLfT. EWC code 19 12 12 has, on average, accounted for 0.6 million tonnes per year of disposals where tax was declared due. However, disposals of EWC code 19 12 12 where tax was declared due have been declared

as split between the standard and lower rates of SLfT. **Table 14** shows that 70 per cent of disposals of EWC code 19 12 12 where tax was declared due have been declared as subject to the standard rate of SLfT and the remaining 30 per cent have been declared as subject to the lower rate.

Further information on determining the amount of SLfT tax payable (e.g. higher or lower rate) is contained in guidance published by Revenue Scotland.

<https://www.revenue.scot/scottish-landfill-tax/guidance/slft-legislation-guidance/determining-tax/slft2002>

Appendix A Date of submission versus effective date

The purpose of this appendix is to explain the basis on which Revenue Scotland's LBTT statistics are produced and to demonstrate that data based on the date of submission is similar in value and trend to data on an effective date¹² basis, except at the ends of time series and near policy changes. Furthermore, it will be demonstrated that it can take up to eight weeks from the effective date for the majority (99 per cent) of LBTT returns to be submitted, whereas no such time lag exists for data produced by date of submission.

Revenue Scotland's monthly LBTT statistics and the data in this publication are based on the date the LBTT return is submitted. Generally this is different from the effective date as taxpayers have 30 days from the effective date to submit their LBTT return. Revenue Scotland is aware of interest in data by effective date but there are good reasons why Revenue Scotland chooses to publish statistics by the date the LBTT return is submitted.

- Publishing data based on the date of submission rather than the effective date allows Revenue Scotland to publish monthly LBTT statistics in a timely manner (within approximately 3 weeks of the month end).
- The data will be subject to revision only as a result of changes to the LBTT return 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).
- 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.

¹² Typically the effective date of a land transaction is the date that the land transaction is completed. For further information on the effective date see the guidance published by Revenue Scotland.

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/how-tax-works/lbtt1004>

Figure 27: Proportion of LBTT returns received by the number of weeks between the date of submission and effective date

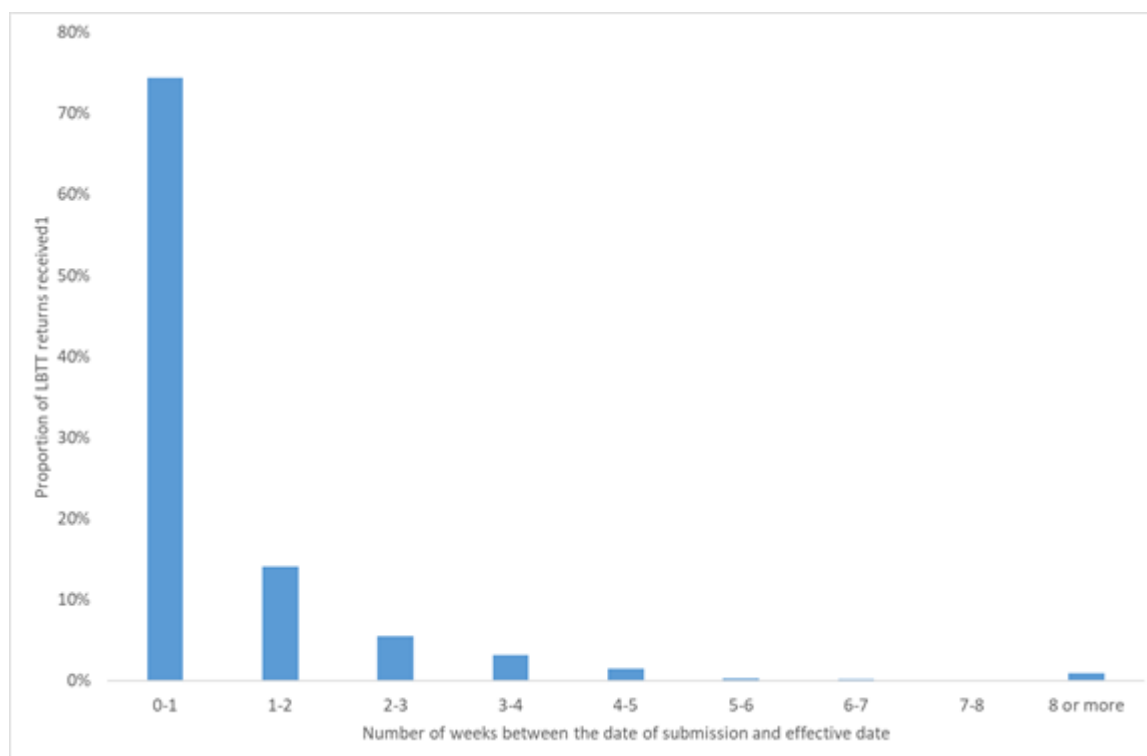


Figure 27 shows the proportion of LBTT returns (excluding reviews of a lease) received by the number of weeks between the date of submission and effective date. **Figure 27** shows that 74 per cent of LBTT returns are submitted within one week of the effective date, 97 per cent of LBTT returns are received within four weeks of the effective date and 99 per cent are received within eight weeks of the effective date.

If Revenue Scotland was to publish data by effective date then to minimise revisions (due to submission of LBTT returns) it would seem reasonable that two months would need to be allowed to pass from the month end before statistics relating to that month could be published. This would ensure that 99 per cent of LBTT returns with an effective date relating to that month had been received. For example, Revenue Scotland could be reasonably certain that 99 per cent of LBTT returns with an effective date in March 2019 had been received by 31 May 2019. A small number of LBTT returns with an effective date in March 2019 would be submitted in June 2019 or later which would result in revisions to the data for March 2019 when the data was extracted from the tax system and published after 31 May 2019.

Figure 28: Number of LBTT returns received by month of submission and the month relating to the effective date

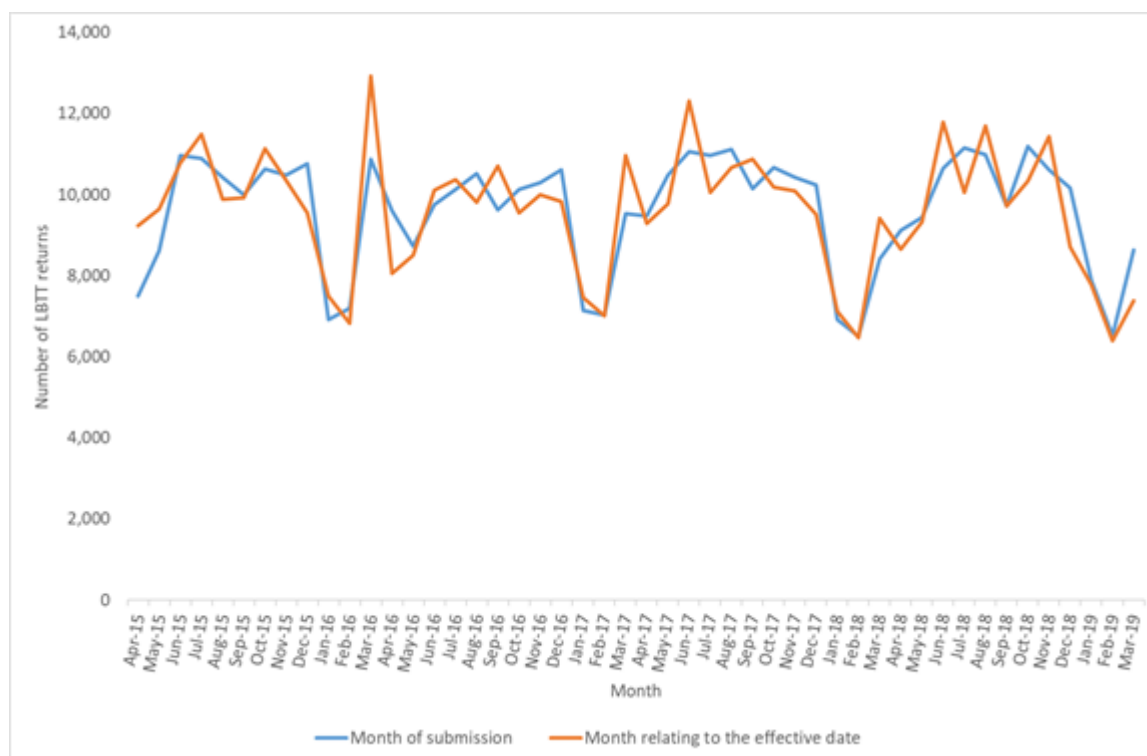


Figure 28 shows the number of LBTT returns (excluding reviews of a lease) received by month of submission and the month relating to the effective date. There are some large differences between the series which can be explained, particularly near the introduction of policy changes and in the early and most recent months, but otherwise the series are similar in terms of values and trends and follow closely with no obvious time lag.

There are large differences between the series in March and April 2016. This is likely to have been due to forestalling ahead of the introduction of ADS in April 2016. The number of LBTT returns with an effective date in March 2016 is approximately 2,100 higher than the number of LBTT returns submitted in March 2016 and the number with an effective date in April 2016 is approximately 1,600 lower than the number submitted. This reflects the fact there was an incentive for taxpayers to conclude property transactions in March 2016 before the introduction of ADS. Consequently fewer transactions concluded in April 2016 than would otherwise have been expected. However, the effect on the number of LBTT returns received in April 2016 was less pronounced due to a proportion of transactions concluded in March 2016 where the tax return was not submitted until April 2016.

In the first month of the series, namely April 2015, the number of returns on an effective date basis is higher than the number of returns based on the date of submission. This reflects the introduction of LBTT in April 2015. There were no LBTT returns submitted in April 2015 with an effective date in March 2015 as these property transactions were subject to UK Stamp Duty Land Tax.

In the latest month of the series, namely March 2019, the number of returns based on the date of submission is higher than the number of returns on an effective date basis. This reflects the fact that the data excludes LBTT returns received after 31 March 2019 and there will be a number of property transactions with an effective date in March 2019 for which the LBTT return was received after 31 March 2019.

It is worth noting that the Scottish Fiscal Commission (SFC) requests data by effective date which it uses to produce and evaluate forecasts of LBTT revenue and Revenue Scotland publishes this data on the LBTT data requests section of its website.

<https://www.revenue.scot/about-us/publications/statistics/land-and-buildings-transaction-tax-statistics-0#overlay-context=about-us/publications/statistics>

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.

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 and quarterly SLfT statistics (and annual statistics in this publication) relate to the revenue figures that appear in the Devolved Taxes Account in Revenue Scotland's Annual Report and Financial Statements, as the figures are produced on a different basis.

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

Whereas the figures in the Annual Report and Financial Statements 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 Report¹³ 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 result in only 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 2018 relating to an LBTT return originally received in March 2018 would be allocated to March 2018 (2017/18) in the published statistics and to 2018/19 in the Annual Report. This repayment could not be allocated to 2017/18 in the accounts because the 2017/18 accounts were closed as at 31 May 2018.

¹³ 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							
	a) LBTT excluding ADS	b) Gross ADS	Value of ADS repayments claimed				Net LBTT (a + b - c)	Devolved Taxes figure for LBTT ²
			Year claim relates to ¹			c) All		
			2016/17	2017/18	2018/19			
2015/16	415.8						415.8	424.9
2016/17	389.7	104.7	13.3			13.3	481.1	483.6
2017/18	461.1	124.4	12.3	17.1		29.4	556.1	557.3
2018/19	458.0	130.8	1.6	13.0	18.5	33.1	555.7	554.2

Notes:

1. For example, a claim for repayment of ADS received in 2017/18 relating an LBTT return (with ADS declared due) 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>

Table 15 shows 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.

The key figures in **Table 15** that illustrates the different treatment of claims for repayment of ADS are the £1.6 million and £13.0 million of claims for repayment of ADS received in 2018/19 relating to LBTT returns initially received in 2016/17 and 2017/18, respectively. In the published statistics, these claims do not result in any adjustment to the net ADS declared due in 2018/19. However, the net ADS reported in the statistics against 2016/17 and 2017/18 is revised (reduced) to reflect these claims as they relate to LBTT returns initially received in those periods.

In the Annual Report, these repayments are reported as reductions in revenue in 2018/19 as they were received after the accounting periods for 2016/17 and 2017/18 were closed, and hence the accounts for 2016/17 and 2017/18 are not revised. Therefore, if one was to compare the published statistics for LBTT relating to 2018/19 (as at the end of 2018/19) with the figure for LBTT revenue in the 2018/19 Annual Report then they would observe a discrepancy of around £14.5 million¹⁴.

Table 15 shows that the published statistics and Annual Report can broadly be reconciled when presented on a similar basis. The larger difference in 2015/16 is due to the accruals process. 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. The accounting accruals process also results in other differences between the statistics and the accounts but these are generally far more minor.

¹⁴ The actual difference is £16.2 million. See <https://www.revenue.scot/about-us/publications/statistics/land-and-buildings-transaction-tax-statistics-0#overlay-context=about-us/publications/statistics>

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 report 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

Notes:

2. 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, above, compares the SLfT declared due reported in Revenue Scotland Official Statistics with the SLfT revenue figures reported in Revenue Scotland's Annual Report and Financial Statements.

The statistics report tax declared due against the quarter which the tax relates to. For example, if a landfill operator submits an SLfT tax return in August 2018 relating to the quarter Apr-Jun 2018, the tax declared due is reported against that quarter (i.e. Apr-Jun 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, or very small numbers of, operators.

The Annual Report and Financial Statements (accounts) report 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.