

# **LBTT: nil rate band change – First-time buyer relief 'How to' Guidance for SETS users August 2020**

## **Introduction**

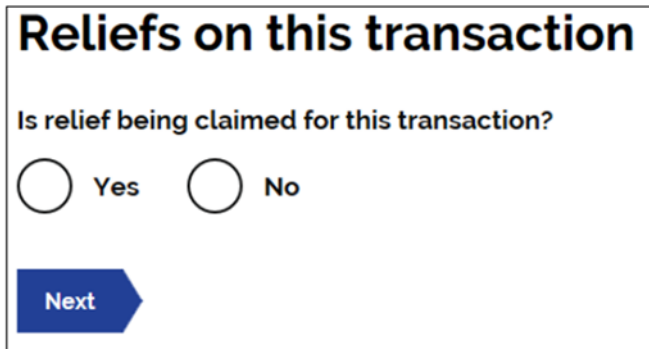
**Guidance for SETS users on how to claim First-time Buyer Relief for transactions with an effective date of 15 July 2020 to 31 March 2021 (inclusive) and ensure the correct amount of tax is paid.**

Following the changes to the Nil Rate Band in July 2020, the nil rate band threshold for LBTT is now higher than the First-time Buyer Relief. When using the LBTT calculator or completing an LBTT return in SETS, please either set the amount of First-time Buyer relief to '£0', or do not claim the relief.

If you do wish to continue to claim the relief for transactions with an effective date of 15 July 2020 to 31 March 2021 (inclusive), you can use the following as a guide to ensure the correct amount of tax is paid on the transaction.

## Transactions with a consideration of £250,000 or less-

When completing the online return, you will see the following in the reliefs section:



**Reliefs on this transaction**

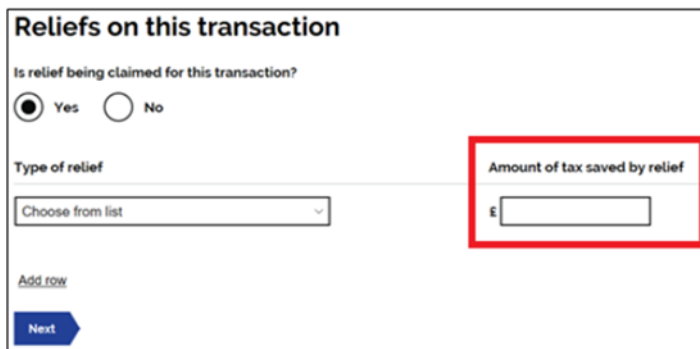
Is relief being claimed for this transaction?

Yes  No

**Next**

You can use the radio buttons to choose the appropriate answer.

If 'yes' is selected and a relief is being claimed, two further fields will appear as shown below:



**Reliefs on this transaction**

Is relief being claimed for this transaction?

Yes  No

Type of relief

Choose from list

Amount of tax saved by relief

£

[Add row](#)

**Next**

You can then select first-time buyer relief from the drop down list and the amount of tax saved will be calculated as £0 once you have entered the consideration.

## Transactions with a consideration of more than £250,000 –

We are aware that SETS is applying an amount of First-time Buyer relief of up to £600 when it is claimed for transactions above £250,000 and we are working on a fix for this. In the meantime, please follow the steps below to ensure the correct amount of tax is paid. You may also wish to check the calculations against our online tax calculator(link) as this will show the correct amount of tax due based on the figures and dates inputted.

### Step 1:

Go to the “About the transaction” section of the return and check the amount shown in the “amount of tax saved by relief”.

- If this figure is £0 – You need take no further action as this is the correct amount.
- If this figure is £600, as shown below, go to Step 2

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#### About the transaction

[Edit transaction details](#)

What is the property type for this transaction?	Residential
Effective date of transaction	29 July 2020
Relevant date	29 July 2020
Are there any linked transactions?	No
Is the transaction part of the sale of a business?	No
Is relief being claimed for this transaction?	Yes
Total consideration remaining	£3000000.00

#### About the reliefs

[Edit reliefs](#)

Type of relief	Amount of tax saved by relief
First-Time Buyer Relief	£600.00

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#### About the calculation

[Edit calculation](#)

The amounts in this section will be automatically calculated when you create or update the transaction section. You can edit them before you submit the return.

LBTT calculated	£2500.00
Total LBTT reliefs claimed	£600.00
Total tax payable	£1900.00

## Step 2:

Click on “Edit reliefs”

This will open a new window as shown at Step 3 below:

About the reliefs		<a href="#">Edit reliefs</a>
Type of relief	Amount of tax saved by relief	
First-Time Buyer Relief	£600.00	

About the calculation		<a href="#">Edit calculation</a>
The amounts in this section will be automatically calculated when you create or update the transaction section. You can edit them before you submit the return.		
LBTT calculated	£2500.00	
Total LBTT reliefs claimed	£600.00	
Total tax payable	£1900.00	

[Save draft](#) [Submit return](#)

## Step 3:

Update the “Amount of tax saved by relief” by amending it from £600 to £0, as shown below:

## Reliefs on this transactions

Type of relief	Amount of tax saved by relief
First-Time Buyer Relief	£ <input type="text" value="0"/>

[Continue](#)

## Step 4:

Once the “Amount of tax saved by relief” has been amended to £nil, click “Continue” to save the change.

## Step 5:

Return to the “About the transaction” section of the return and check that the amount of tax saved by first-time buyer relief is £nil, as shown below. You can then proceed to save the draft or submit the return as required.

About the transaction	<a href="#">Edit transaction details</a>
What is the property type for this transaction?	Residential
Effective date of transaction	29 July 2020
Relevant date	29 July 2020
Are there any linked transactions?	No
Is the transaction part of the sale of a business?	No
Is relief being claimed for this transaction?	Yes
Total consideration remaining	£300000.00

About the reliefs	<a href="#">Edit reliefs</a>
Type of relief	Amount of tax saved by relief
First-Time Buyer Relief	£0.00

About the calculation	<a href="#">Edit calculation</a>
The amounts in this section will be automatically calculated when you create or update the transaction section. You can edit them before you submit the return.	
LBTT calculated	£2500.00
Total LBTT reliefs claimed	£0.00
Total tax payable	£2500.00

Save draft

Submit return

## Help and support

- Visit the Revenue Scotland website – [www.revenue.scot](http://www.revenue.scot)
- Telephone the Support Desk: 03000 200 310
- Email: [lbtt@revenue.scot](mailto:lbtt@revenue.scot)