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Kezia Dugdale MSP
The Scottish Parliament
Edinburgh
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Dear Ms Dugdale

Land and Buildings Transactions Tax - Answers to Parliamentary Questions

You recently submitted two Parliamentary questions relating to Land and Buildings Transaction Tax. In response to the questions, Kate Forbes, the Minister for Public Finance and Digital Economy, noted that she had asked me to respond to you and I am pleased to provide answers to your questions below:

- **S5W-20659: To ask the Scottish Government, further to the answer to question S5W-19495 by Kate Forbes on 7 November 2018, whether there has been a net gain to public finances from the three-year lease review programme on Land and Buildings Transaction Tax (LBTT) penalties administered by Revenues Scotland.**

As at 30 November 2018, taxpayers had declared £616,587 of additional LBTT due as a result of three-year lease reviews and claimed £603,119 in repayments, giving a net revenue gain of £13,468.

This excludes assignments and terminations of leases and if these are included, then the claims for repayment exceed the additional liabilities declared due by £93,104, mainly due to terminations of leases which have resulted in net repayment claims of £123,692 from taxpayers.

- **S5W-20660: To ask the Scottish Government, further to the answer to question S5W-19495 by Kate Forbes on 7 November 2018, what the ratio is of the number of lease review returns due to the number of lease review penalties issued, and what proportion of taxpayers who must meet this requirement, but are not, are being penalised.**

Since 1 April 2018, 3,081 three-yearly lease review returns were expected to be submitted up to and including 25 November 2018, of which 1,755 were not submitted on time.

For the 1,755 returns not submitted on time (as at 30 November 2018):

- Penalties had been assessed in 1,454 cases (47% of all expected returns) for failure to submit a 3-year lease review return on time;
- Penalties were due but still to be assessed in the remaining 301 cases.

The majority of penalties which had not yet been assessed applied to review returns which had been received by Revenue Scotland less than 7 days after the filing date. Resources have been concentrated on non-compliant taxpayers whose returns were still outstanding, in order to increase the total number of returns submitted. Penalties will be assessed against all lease review returns received late in due course.

A small number of penalties due but not yet assessed relate to dissolved companies or taxpayers whose addresses we have been unable to trace.

To make the answers to your questions more widely available, Revenue Scotland will publish them on [our website](#). Should you require any further information, please let me know.

Yours sincerely



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