FINANCE COMMITTEE
DRAFT BUDGET 2015-16
SUBMISSION FROM
THE SCOTTISH COUNCIL FOR VOLUNTARY ORGANISATIONS

This paper presents SCVO's position on the Land and Buildings Transaction Tax bands and rates presented in the draft Budget 2015-16. It is offered in response to the Scottish Parliament’s Finance Committee’s call for evidence.

Key points of principle

- Charitable activity should be 100% exempt from property transaction taxes, as is the case with the pre-existing Stamp Duty system. We therefore supported the provisions made for charitable relief under Schedule 13 of the Bill, now Act (2013)

- Any new taxes, such as the Land and Buildings Transaction Tax, should reflect tax principles of fairness, simplicity, clarity and efficiency. The tax bands and rates proposed meet this test for us.

- In all cases of devolved law that engages or reflects charitable operations including new tax powers, then for the sake of transparency and accountability, Scottish charity law must be the primary reference point. Nonetheless, we note that the Act extends eligibility to other 'relevant territories' across the UK, EU and with Scottish Ministerial provision for other countries.

Technical point

- Under new proposals by the Chancellor in his 2014 Budget, provision was made for partial relief from Stamp Duty for those charities that purchased a property in partnership with commercial businesses or non-charities. We note that parallel provision is made for charities under LBTT under Schedule 17 part 8, and ask the Committee to subject this to scrutiny.

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