

Briefing from Scottish Land and Estates regarding the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2026 (SSI 2026/68), 9 March 2026

Key messages

- The proposed removal of the Small Business Bonus Scheme relief for Shootings and Deer Forests was brought forward with no consultation with the businesses it will impact, off the back of proposals from opposition parties during budget negotiations.
- Since listening to the concerns of the rural sector, the Government has made some welcome changes to their proposals, including protecting Scotland's venison supply chain and excluding businesses that do not participate in shooting activities.
- Scottish Land and Estates (SLE) also welcomes the Local Government, Housing and Planning Committee's unanimous agreement to call the Minister for Public Finance in to provide evidence on this SSI. Nonetheless, this still falls short of the industry consultation that should be required when making changes to taxation that will affect rural businesses to avoid unintended consequences.
- After surveying rural businesses across the country, SLE found that hundreds of small rural businesses are now facing an unexpected and unconsulted new tax bill that will weaken their ability to deliver food security, climate mitigation, nature restoration and provide employment opportunities to local people
- A significant proportion of respondents indicated that the only way they can absorb these new costs will be to introduce or increase commercial shooting activity. We understand that this would be contrary to the policy intention of these proposals
- The impact of this proposal contradicts the Scottish Government's Economic Strategy ([Delivering Economic Prosperity](#)). The proposals create an inequitable situation for rural businesses compared to others, at odds with the strategy's aim to distribute economic opportunities fairly across Scotland and undermining business resilience by raising fixed costs and limiting their ability to invest in creating employment opportunities
- We believe there is a need for clarification in the drafting of the SSI which undermines its intention. The phrasing of 3(5)(d)(i) and 4(5)(d)(i) implies that shootings can be a croft or agricultural holding. However, shootings (the right to take game) is an incident of ownership, so shootings or deer forests cannot also physically be a croft or agricultural holding. It is tied to the underlying ownership of land. Whilst it is distinct from the land for valuation

purposes, the right to take game is not included in the rights enjoyed by crofters, agricultural tenants and small landholders unless specifically granted.

- Crofts, agricultural holdings and small holdings are not valuation categories for sporting rights. The valuation role has either to identify an entry as shootings or deer forests as prescribed by the Land Reform (Scotland) Act 2016.
- The SSI could be amended to address the need for clarification. We therefore suggest the following amendment to accurately reflect the legal definitions within this taxation mechanism: “shootings which are crofts, agricultural landholdings or small landholdings” (3(5)(d)(i) and 4(5)(d)(i)) would be replaced with “shootings which are on crofts, agricultural landholdings or small landholdings”

Suggested questions for the Minister

SSI 2026/68 makes changes to non-domestic rates across several fronts. This briefing focuses on the regulations that will impact rural businesses in Scotland (Part 2.3 and 2.4) in relation to the removal of the Small Business Bonus Scheme (SBBS) for Sporting Rates liabilities.

SLE has been consistent in calling on the Scottish Government to ensure that policy, legislation and decisions regarding taxation are subject to rural impact assessments to ensure that unintended consequences for rural communities are always considered. We therefore recommend that questions to the Minister focus on the reason for failing to consult with the businesses these proposals will impact, the unintended consequences of the Scottish Government’s proposals and the technical discrepancies between definitions in what has been set out and existing legislation.

Suggested questions:

- The rural sector in Scotland has been forthright in its view that changes to taxation that will have a material impact on rural businesses should require consultation with those who would be impacted. Can the Minister explain why the Government chose not to conduct any consultation prior to bringing forward these proposals?
- Hundreds of small rural businesses have warned that losing the Small Business Bonus Scheme relief will increase their fixed costs to the extent that they are considering making redundancies. What assessment has the Government made of the likely impact of this on:
 - loss of revenue through income tax and National Insurance Contributions?
 - loss of productivity in the rural sector, including in food production, climate mitigation and nature restoration?
 - deterring future investment in the rural sector?

- How do the proposals set out in this SSI align with the Scottish Government's Economic Strategy in terms of distributing economic opportunities fairly across Scotland?
- The Rural Affairs Secretary previously set out that these proposals stemmed from a commitment made during Stage 2 Proceedings of the Land Reform (Scotland) Act. The policy intention contained within those proposals was to deny individuals who participate in country sports from accessing non-domestic rates relief. The Minister will be aware that a broad range of activities take place on Shootings and Deer Forests, and in many cases, sports does not feature. How does the Minister reconcile what is being proposed here with what we understand to be the policy intention?
- Shootings and Deer Forests cannot be separated from the land on which they refer to. Can the Minister clarify what is meant by (3(5)(d)(i) and 4(5)(d)(i)) "shootings which are crofts, agricultural landholdings or small landholdings" and does he share the view of others that this further clarification of definitions is required here?