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LAND AND BUILDINGS TRANSACTION TAX - FIRST TIME BUYERS RELIEF CONSULTATION LAUNCH

I am writing to you to inform the members of the Finance and Constitution Committee that I intend to launch a consultation tomorrow on the details of the proposed Land and Buildings Transaction Tax first-time buyers relief.

As you will be aware, I set out plans for the relief as part of the draft 18/19 Scottish Budget announcement on 14 December. I also committed to launching a consultation on the details of the relief, prior to its planned introduction in June 2018.

The relief will have the effect of raising the zero tax LBTT threshold for first-time buyers, of any age from £145,000 to £175,000. First-time buyers buying a property above £175,000 will also benefit on the portion of the price below the threshold. The Scottish Fiscal Commission forecast that this will result in 80 per cent of first-time buyers in Scotland paying no LBTT at all, whilst all other first time buyers will see their tax reduced by £600.

The consultation will close on the 23 March 2018 and the results will inform final decisions on a number of technical issues. This will enable legislative proposals to be drawn up accordingly and for subsequent scrutiny by the Scottish Parliament.

I hope you find this information helpful and I will continue to keep the Committee and the Parliament updated.