Public Petitions Committee
Thursday 24 September 2026
3rd Meeting, 2026 (Session 7)

PE2221: Waive the Additional Dwelling Supplement for people not buying additional homes for commercial gain

Introduction

Petitioner	Khadijah Rafiq
Petition Summary	Calling on the Scottish Parliament to urge the Scottish Government to waive the Additional Dwelling Supplement for those buying homes to support dependent family members.
Website	https://petitions.parliament.scot/petitions/PE2221

1. This is a new petition that was published on 24 June 2026.

2. A full summary of this petition and its aims can be found at **Annexe A**.

3. Every petition collects signatures while it remains under consideration. At the time of writing, nine signatures have been received on this petition.

4. A SPICe briefing has been prepared to inform the Committee's consideration of the petition and can be found at **Annexe B**.

5. The Committee seeks views from the Scottish Government on all new petitions before they are formally considered.

6. The Scottish Government's response is set out in **Annexe C** of this paper.

Action

7. The Committee is invited to consider what action it wishes to take.

Clerks to the Committee
September 2026

Annexe A: Summary of petition

PE2221: Waive the Additional Dwelling Supplement for people not buying additional homes for commercial gain

Petitioner:

Khadijah Rafiq

Date published:

24 June 2026

Petition summary:

Calling on the Scottish Parliament to urge the Scottish Government to waive the Additional Dwelling Supplement for those buying homes to support dependent family members.

Background information:

The Additional Dwelling Supplement (ADS) is a tax applied to the purchase of additional residential properties, introduced to discourage speculative buying and reduce pressure on housing supply. Its primary aim is to limit commercial investment that drives up house prices and restricts access for first-time buyers. ADS applies regardless of intent, meaning it also affects individuals purchasing homes for non-commercial reasons.

The impact of ADS has been significant. While it has helped curb some investment activity, it has also created unintended consequences for families buying property to support dependent relatives. These purchases are not for profit but to provide stable, suitable housing for vulnerable relatives. The tax can make this impossible, delaying housing solutions, forcing families into unsuitable housing, making essential purchases unaffordable, and increasing pressure on public services. A targeted waiver supports family care, independent living, and aligns the tax with its original purpose.

Annexe B: SPICe Briefing

SPICe Scottish Parliament Information Centre Ionad Fiosrachaidh Pàrlamaid na h-Alba

Briefing for Public Petitions Committee on petition PE2221: Waive the Additional Dwelling Supplement for people not buying additional homes for commercial gain, lodged by Khadijah Rafiq

Brief overview of issues raised by the petition

The Additional Dwelling Supplement (ADS) is an additional charge which is added to any Land and Buildings Transaction Tax (LBTT) which may be due. It is charged if you buy an additional residential property (dwelling) in Scotland.

Examples of an additional residential property can include:

- a second home
- a rental property
- a holiday home
- properties used by family and friends even if you don't charge rent.

ADS is payable when someone buys a residential property in Scotland, and they already own one or more residential properties anywhere in the world. If you are also selling your 'only or main' residence, then ADS may not apply. If there is more than one buyer, then ADS will normally apply if any single buyer owns one or more residential properties anywhere in the world.

ADS was introduced by the Land and Buildings Transaction Tax (Amendment) (Scotland) Act 2016. In the policy memorandum, the Scottish Government stated that its policy objective was:

> "…to ensure that the opportunities for first time buyers to enter the housing market in Scotland remain as strong as they possibly can, aligning with LBTT policy on rates and bands. The supplement is also necessary to ameliorate the likely distortions which will arise in Scotland when new SDLT higher rates of tax for the purchase of additional residential properties are introduced in the rest of the UK from 1 April 2016. The absence of a similar LBTT supplement could make it more attractive to invest in buy-to-let properties and second homes (and in particular those properties at the lower end of the market) in Scotland compared to other parts of the UK, making it difficult for first time buyers in Scotland to purchase a main residence."

PE2221 proposes waiving the ADS in circumstances where people are buying a second property not for commercial gain. The petition notes that ADS is a barrier to families who seek to buy a second property for a dependent relative.

Revenue Scotland publish data on the amount of ADS paid in Scotland.

Year	Total LBTT receipts (£ million)	ADS receipts (£ million)	% of LBTT from ADS
2016-17	467	77.3	16.6%
2017-18	554.1	92.6	16.7%
2018-19	551.5	94.5	17.1%
2019-20	600.5	122	20.3%
2020-21	510.2	112.4	22.0%
2021-22	814	147.5	18.1%
2022-23	838.6	159	19.0%
2023-24	776.8	163.1	21.0%
2024-25	924.1	204.3	22.1%

In the last session of the Scottish Parliament, there were some changes made to the ADS. In December 2021, the Scottish Government published a call for evidence. The Scottish Government published a summary of evidence in February 2023. None of the questions asked specifically about relief for ADS for those not buying a home for commercial gain as suggested in this petition, but there was some limited discussion of similar types of exemptions. The Scottish Government noted that:

> “Several responses considered the application of the ADS on subsidiary dwellings or ‘granny flats’ and suggested that these and similar annexes should be given an exemption.”

96% of respondents agreed with the suggestion that Revenue Scotland should be given a power to waive ADS in exceptional circumstances. However, the Scottish Government did not support this, noting that the reforms would double the amount of time someone had to sell their previous main residence. The Chartered Institute of Taxation stated that:

> “Doubling the window for reclaiming an ADS payment from 18 to 36 months is a sensible step and one that is likely to address many of the cases involving taxpayers who have been unintentionally exposed to the ADS.
>
> However, the decision to exclude consideration of an exceptional circumstances provision for taxpayers in unforeseen and unavoidable circumstances is disappointing and threatens the original intention of ADS, which is to charge those who intend to own multiple properties higher rates of tax.

Experience in England and Northern Ireland suggests that such a provision is unlikely to open the floodgates to spurious claims or lead to taxpayers seeking to abuse the system to their benefit."

The Law Society of Scotland, in its response to the consultation, suggest that there should be an exemption to ADS for transactions involving a dependent property (such as a granny flat).

"The effect of that exemption is that if one of the dwellings is subsidiary to the other, it is not treated as a second dwelling for [Higher Rates of SDLT for Additional Dwellings] purposes. We suggest that a dependent property exemption should be introduced for LBTT so that the purchase of a small dwelling at the same time as a much larger one does not mean that the ADS is payable on both of the properties."

In February 2023, the Scottish Government published a more detailed consultation on proposed amendments to LBTT and ADS. This was implemented through the Land and Buildings Transaction Tax (Miscellaneous Amendments) (Scotland) Order 2024. These changes included:

- New relief for local authorities
- Some exemptions to LBTT and ADS related to joint buyers, inherited property, ownership interest, divorce, dissolution of a civil partnership or judicial separation
- Increased the timelines for completing the sale of a previous main residence in ADS legislation from 18 months to 36 months.

In March 2026, the Scottish Government published an independent analysis of LBTT. However, this analysis was confined to five specific areas, including three reliefs (multiple dwelling relief, 6+ dwelling exemption to ADS, first time buyer relief).

Key organisations and relevant links

- Finance and Public Administration Committee report on the Land and Buildings Transaction Tax (Miscellaneous Amendments) (Scotland) Order 2024.
- Revenue Scotland has an ADS hub, which sets out an overview of the ADS, when it applies, exemptions and the process for claiming a repayment.
- Revenue Scotland set out the changes introduced to the ADS following the 2024 reform.
- Revenue Scotland publish detailed technical notes on ADS for different types of transactions and buyers.
- Revenue Scotland also publishes monthly data on LBTT and ADS receipts.

- Scottish Government consultation analysis of responses to the call for views on reform of LBTT and ADS (2023).

Andrew Feeney-Seale
Senior Researcher
13 August 2026

The purpose of this briefing is to provide a brief overview of issues raised by the petition. SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at spice@parliament.scot

Every effort is made to ensure that the information contained in petition briefings is correct at the time of publication. Readers should be aware however that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

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Annexe C: Written Submission

PE2221/A: Waive the Additional Dwelling Supplement for people not buying additional homes for commercial gain

Scottish Government written submission, 30 July 2026

1. Does the Scottish Government consider the specific ask[s] of the petition to be practical or achievable? If not, please explain why.

The Scottish Government recognises the important role that family members can play in supporting dependent relatives, including helping them access suitable housing.

The Additional Dwelling Supplement (ADS) is intended to support owner-occupiers and first-time buyers by helping them compete more fully in the housing market with those buying additional properties, such as buy-to-let landlords and second homeowners. The ADS applies based on the objective fact of acquiring ownership of an additional dwelling, rather than the specific personal circumstances of the buyer.

The ADS is also an important source of tax revenues which support public spending in Scotland.

There is currently no provision within the Land and Buildings Transaction Tax (Scotland) Act 2013 which allows the Scottish Government, or Revenue Scotland as administrators of the tax, to waive or provide relief from LBTT or ADS liabilities on a discretionary basis. This ensures a consistent and fair approach to the administration of devolved taxes, and avoids the complexity and unintended consequences that could arise from targeted exemptions based in personal circumstances.

The impact of the ADS where difficult or exceptional circumstances apply was considered as part of the LBTT review, the initial findings of which were published on 25 March 2026. The review, informed by an external working group, considered a range of scenarios, including circumstances where a person wished to purchase a property to support a disabled or dependent family member.

The review recognised that difficult cases can arise within the ADS framework, while also highlighting the challenges of introducing greater flexibility into a tax system that otherwise applies consistently across all taxpayers.

The review concluded that further consideration may be warranted, while noting the legislative, administrative and evidential challenges associated with delivering any targeted relief.

At this stage, there is limited evidence on how a bespoke ADS relief for those purchasing a property to support a dependent family member could be delivered while maintaining a clear, fair and administratively workable tax system.

The Scottish Government's approach to tax is guided by principles including certainty, fairness and proportionality. Any options for potential legislative change, based on personal circumstances, would need careful consideration to ensure they could operate consistently within the overall tax framework and without giving rise to unintended consequences or create pressures for similar treatment in other circumstances where taxpayers face difficult housing decisions.

Any such relief or exemption would also require clear and objective eligibility criteria, appropriate evidence requirements and safeguards to support effective administration.

While officials recognise the concerns raised by the petitioner, further work would be required to understand whether any potential future targeted exemption could be designed and implemented in a way that aligns with the wider tax framework and policy objectives.

3. What, if any, action is the Scottish Government currently taking to address the issues raised by this petition, and is any further action being considered that will achieve the ask[s] of this petition?

The published LBTT review findings provide a summary of initial findings as well as the Scottish Governments response to those findings.

Scottish Government officials are continuing to consider the outcomes and issues identified through the LBTT review.

This is a complex area and no decisions have been taken on potential legislative changes. Any future consideration of reform would need to take account of the Scottish Government's wider tax principles and fiscal priorities

More information on the LBTT review can be found below:

- Externally led research and findings
- Scottish response to externally led research findings

Fully Devolved Taxes Unit