

Monthly LBTT Update – May 2020

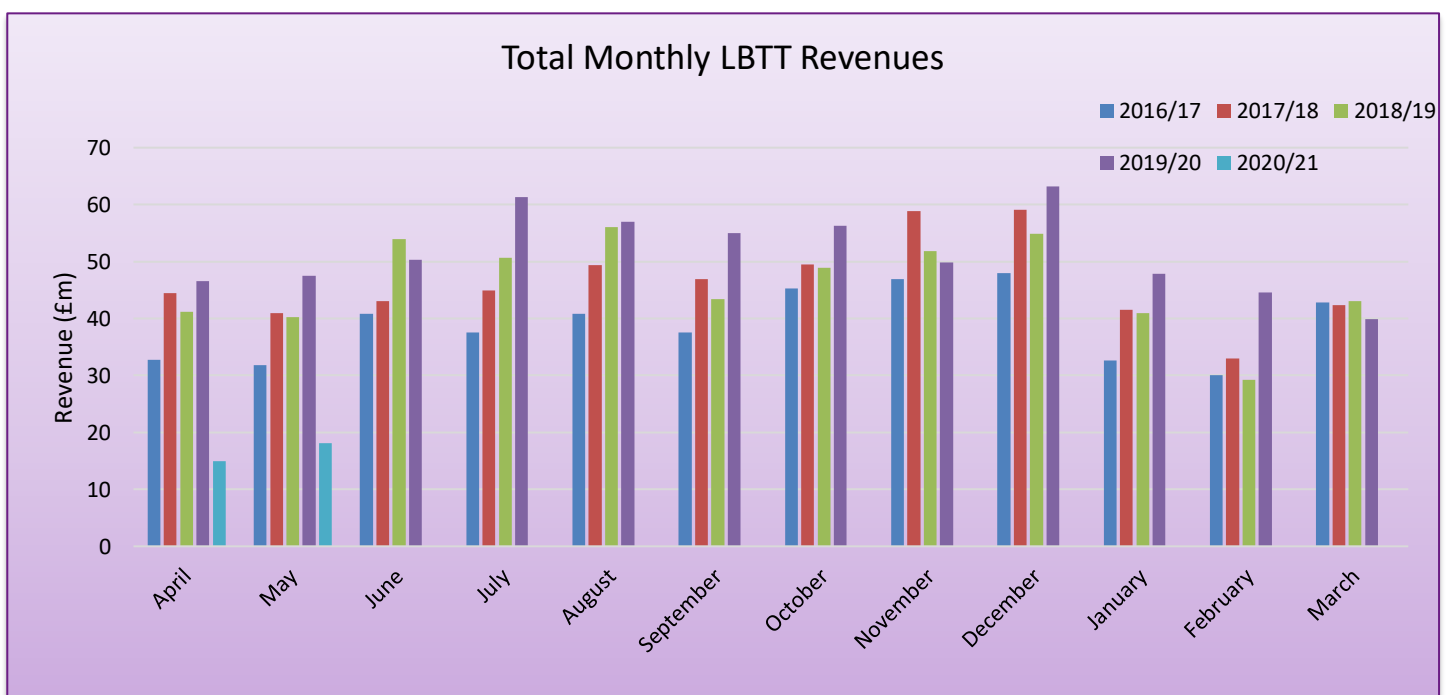
Total LBTT, Residential LBTT, Non-Residential LBTT and Net ADS Revenues¹ (in £m)

	Residential LBTT (Excl. ADS)	Non-Residential LBTT (Excl. ADS)	ADS	Total LBTT
May-20	7.0	7.3	3.8	18.1
MoM: May-20 vs Apr-20	↓0.1 (↓1%)	↑3.4 (↑95%)	↔0 (0%)	↑3.2 (↑21%)
YoY: May-20 vs May-19	↓15.9 (↓69%)	↓6.7 (↓48%)	↓6.7 (↓64%)	↓29.4 (↓62%)
20/21 Revenue – YTD	14.1	11.2	7.6	33.0
20/21 Revenue (YTD) vs 19/20 Revenue (Same Period)	↓29.3 (↓68%)	↓18.7 (↓63%)	↓13.2 (↓63%)	↓61.1 (↓65%)

May overview: The coronavirus continued to have a significant impact on the outturn of the devolved Land and Buildings Transaction Tax (LBTT) in May, despite a £3.2m (21%) increase in total revenue compared to April 2020.

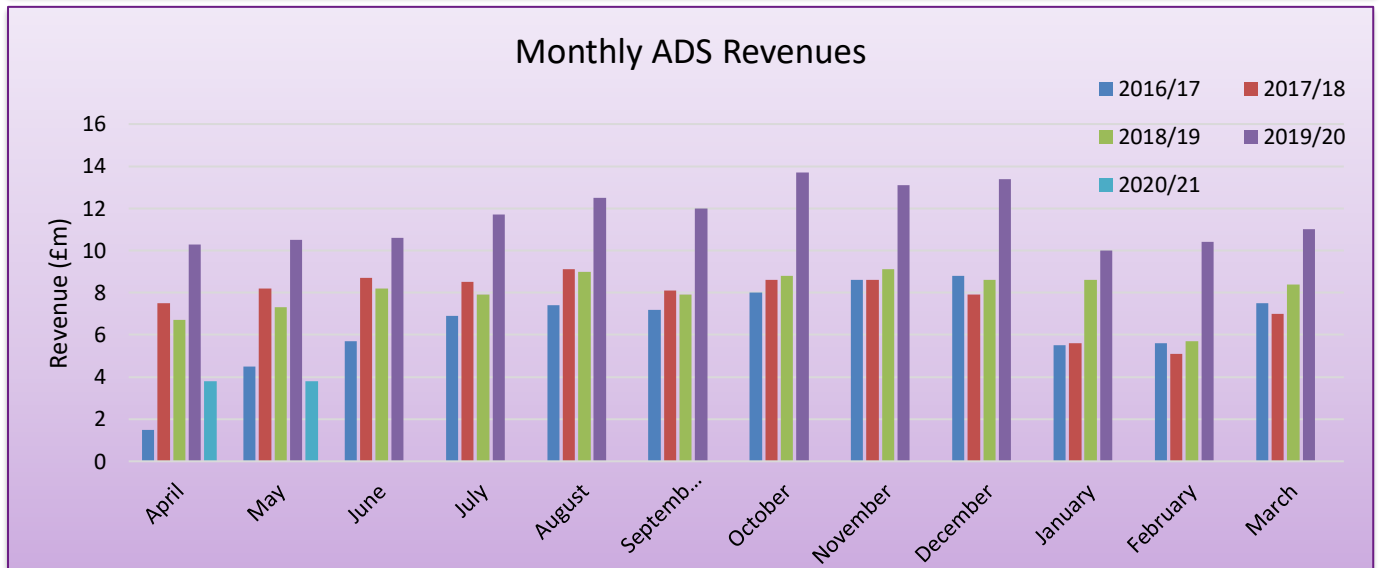
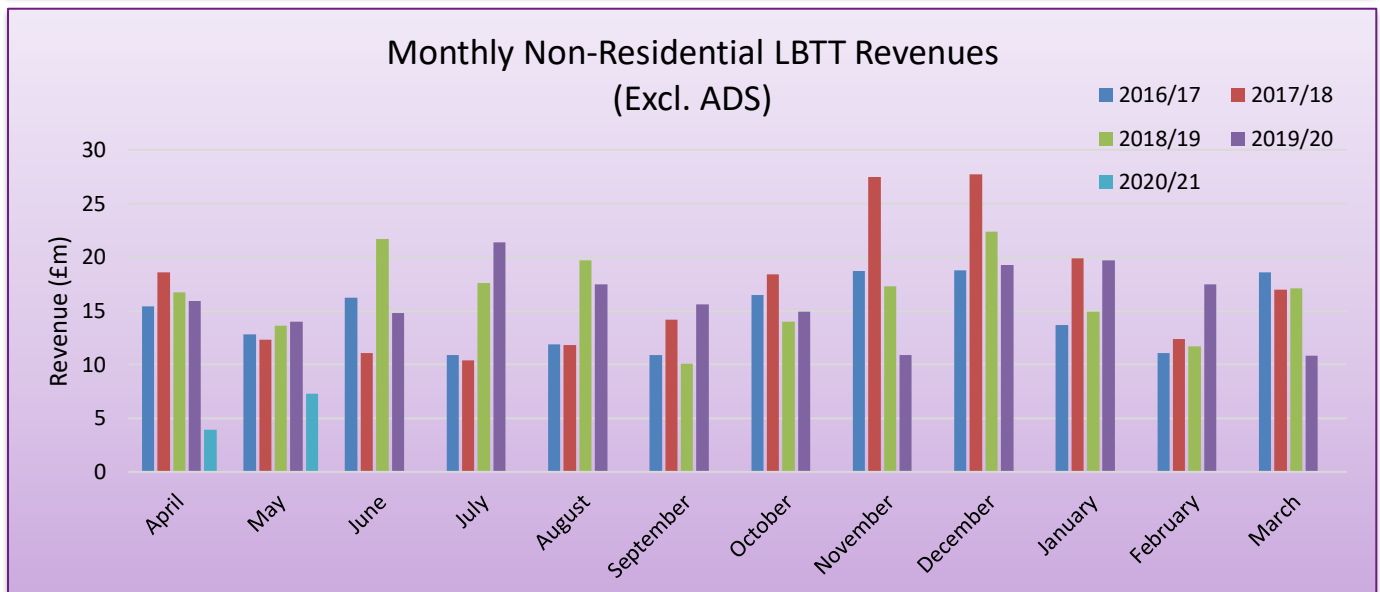
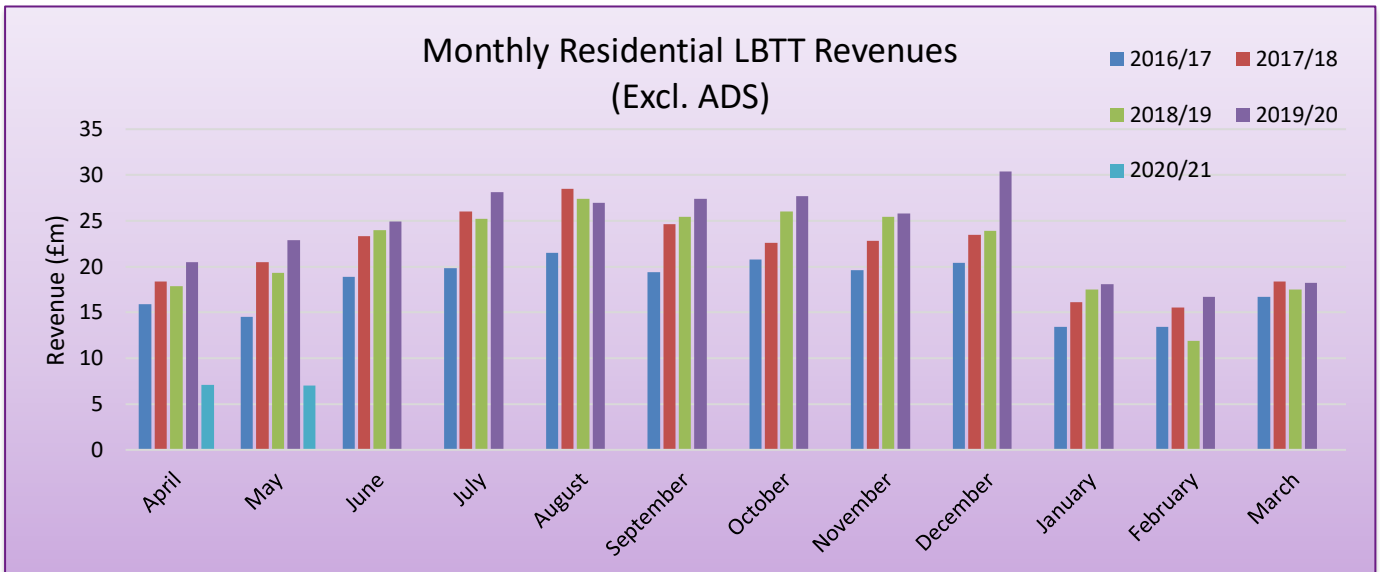
Total LBTT revenue has fallen by around two-thirds in the 2020/21 tax year to-date compared to the same period in 2019/20, with £61.1m less collected thus far. The fall in revenue is consistent across all of the elements of the tax, with non-residential LBTT and ADS revenues both down by 63% while residential LBTT revenue is down by 68%.

There are many factors that have led to this sharp fall in revenue, including low confidence levels in anticipation of a deep economic recession and the Registers of Scotland being unable to register ‘non-urgent’ property transaction during in April and May due to Scottish Government guidelines.



¹ Data from Revenue Scotland, unless otherwise stated. All figures are provisional. Figures may not sum due to rounding. For more information contact Murray Horn – mhorn@bpf.org.uk.

Monthly Totals for Residential LBTT, Non-Residential LBTT and Net ADS

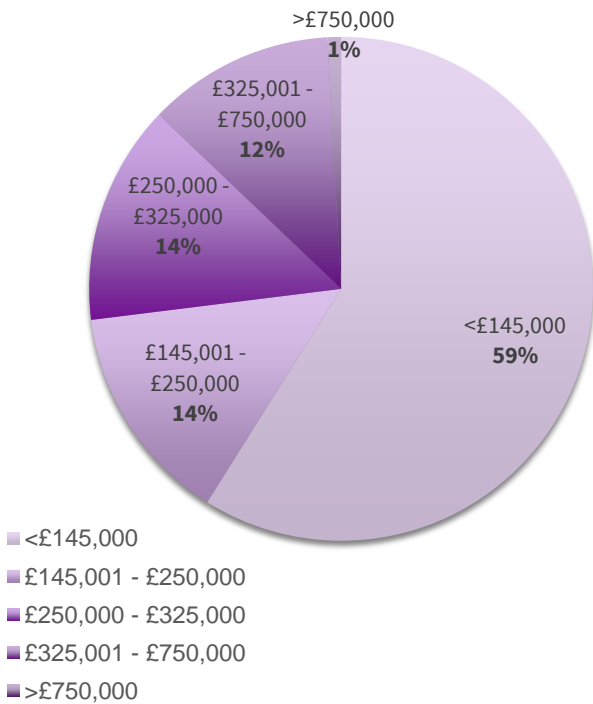


Importance of Higher Value Transactions

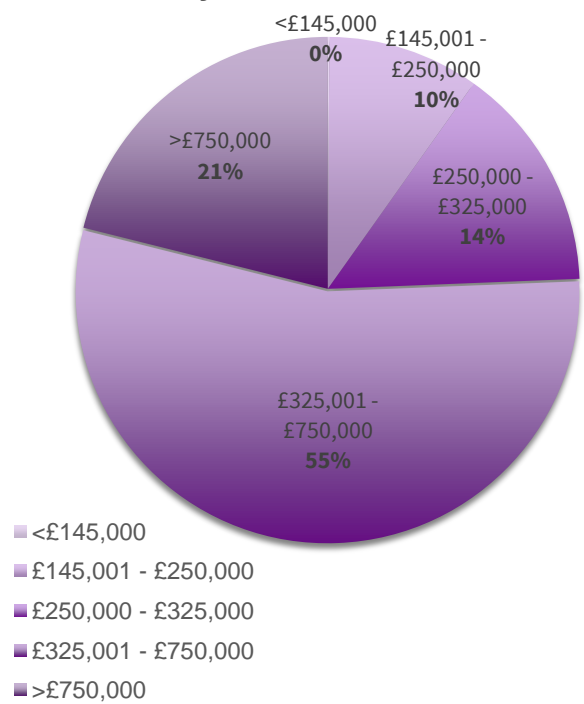
Despite accounting for just under 10% of all residential transactions in the 2019/20 tax year, properties sold at or above £325,001 made up a disproportionate 76% of the total residential LBTT revenue (excluding ADS). This trend is even more apparent when just the top section of the market is taken into account. Residential properties selling for over £750,000 accounted for 0.6% of all transactions in Scotland during 2019/20 but made up just over a fifth of the total revenue for residential LBTT (excluding ADS).

This highlights just how important this section of the market is to Scottish Government tax receipts and that behaviour changes in a relatively small cohort of taxpayers can have a significant impact on overall revenues.

Breakdown of Total Number of Residential Sales by Transaction Values



Breakdown of Residential LBTT Revenue by Transaction Value



Current Residential LBTT Banding

Purchase price	LBTT rate
Up to £145,000	0%
Above £145,000 to £250,000	2%
Above £250,000 to £325,000	5%
Above £325,000 to £750,000	10%
Over £750,000	12%
<i>Additional Dwellings Supplement (ADS)</i>	<i>4%</i>