



The Scottish Parliament
Pàrlamaid na h-Alba

FINANCE COMMITTEE

Lady Susan Rice CBE
4 Lilybank Gardens
Glasgow
G12 8RZ

Room T3.60
The Scottish Parliament
EDINBURGH
EH99 1SP

27 August 2015

Dear Susan,

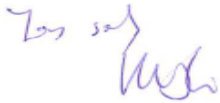
Further to the useful discussion at the Committee's business planning day I am writing to confirm the work which we would like the SFC to carry out in support of our scrutiny of the forthcoming draft budget. The Committee has agreed to conduct a review of the operation of Land and Buildings Transaction Tax (LBTT). The Committee asks that the SFC provides a commentary on the Scottish Government's forecast of both residential and commercial LBTT receipts relative to the available outturn figures as published by Revenue Scotland. This should include an analysis of the impact of forestalling including a commentary on the Scottish Government's forecast of the forestalling effect.

The Committee would also welcome a commentary on the Scottish Government's forecast of Scottish Landfill Tax relative to the available outturn figures. The Committee understands that the initial outturn figures are due to be published by Revenue Scotland in mid-September.

As you are aware the Committee recommended in its report on Draft Budget 2015-16 that this information should be provided alongside your commentary on the 2016-17 forecast. However, given the late publication of the Draft Budget this year due to the timing of the UK Spending Review this would not now allow sufficient time for adequate scrutiny. The Committee, therefore requests that your commentary on the 2015-16 forecasts is provided by Friday 30 October. The Committee would also like to invite you and your colleagues on the SFC to give oral evidence on Wednesday 11 November.

Finally, the Committee is concerned about the lack of transparency until now in relation to the work which both the Scottish Government and the SFC have been carrying out in relation to forestalling. Neither the Scottish Government nor the SFC has published any details of this work. In contrast the OBR has published details of the impact of forestalling in both its March 2015 and July 2015 forecasts for LBTT. The Committee intends to raise this with the Scottish Government.

Yours sincerely,

A handwritten signature in purple ink, appearing to read 'Ken Gibson'.

Kenneth Gibson MSP
Convener