



Finance Committee

The Land and Buildings Transaction Tax (LBTT)

Submission from the West Lothian Council

A. PURPOSE OF REPORT

The purpose of this report is to advise the Council Executive of the proposed submission in response to the call for evidence by the Scottish Parliament Finance Committee regarding the implementation of the LBTT.

B. RECOMMENDATION

It is recommended that Council Executive approves the proposed submission as part of the call for evidence on the recent implementation of the Land and Buildings Transaction Tax (LBTT)

C. SUMMARY OF IMPLICATIONS

I	Council Values	being honest, open and accountable; making best use of our resources
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	None
III	Implications for Scheme of Delegations to Officers	None
IV	Impact on performance and performance Indicators	None
V	Relevance to Single Outcome Agreement	None
VI	Resources - (Financial, Staffing and Property)	None
VII	Consideration at PDSP	The call for evidence was issued at the beginning of August 2015 with a response deadline of 2 October 2015. As such there was not time to report the proposal to a Scrutiny Panel.



VIII Other consultations None

D. TERMS OF REPORT

The Scottish Parliament Finance Committee has invited West Lothian Council along with other stakeholders to submit evidence to the Finance Committee of the Scottish Parliament on the views of the council on the operation of the LBTT since its introduction on 1 April 2015. It has asked for views on a number of areas which are set out below together with the proposed response to each.

Question - The impact on both the residential and commercial property market of the various rates and bands?

Proposed response – Due to the limited volume of transactions which have been carried out by the council since the introduction of LBTT, no discernable pattern has been observed.

Question - The level of receipts for residential and non-residential transactions in relation to the forecasts?

Proposed response – Again these have not been significant in the time that has elapsed since 1 April 2015, no discernible pattern has emerged.

Question -The extent to which higher priced transactions were brought forward to avoid the higher rates?

Proposed response – There was no evidence to suggest any transactions were brought forward as a result of the date for the introduction of LBTT. The introduction coincided with the end of the council's financial year when greatest pressure is being applied in any event to conclude transactions prior to the end of the financial year on 31 March, but there was no evidence of additional transactions.

Question - The extent to which lower-priced transactions were delayed until after 1 April?

Proposed response – The council has no evidence to suggest that this was the case.

Question - Whether there should be any changes to the rates and bands for residential transactions in the draft budget for 2016/17?

Proposed response – The council considers that it is too early following the introduction of the new tax regime to make a balanced judgement on this. An assessment would be best made after at least 12 months of operation of the new regime.



Question - The performance of Revenue Scotland in administering and collecting the tax?

Proposed response – The council has a limited volume of concluded transactions at this stage, but no issues have been experienced.

E. CONCLUSION

The Council welcomes the opportunity to provide comment on the introduction of the LBTT. At this stage that insufficient time has elapsed since the introduction of the new tax to build up a large enough volume of transactions to provide a definitive view on the majority of the questions posed, but no significant issues have been experienced by the council.

F. BACKGROUND REFERENCES

None

Appendices/Attachments: None

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