POLICY NOTE

THE LAND AND BUILDINGS TRANSACTION TAX (GROUP RELIEF AND SUB-SALE DEVELOPMENT RELIEF MODIFICATIONS) (SCOTLAND) ORDER 2025

SSI 2025/158

The above instrument was made in exercise of the powers conferred by sections 27(3) and 68(1) of the Land and Buildings Transaction Tax (Scotland) Act 2013. The instrument is subject to affirmative procedure.

Summary Box

The instrument amends Schedule 10 (Group Relief) and Schedule 10A (Sub-sale Development Relief) of the Land and Buildings Transaction Tax (Scotland) Act 2013.

Policy Objectives

Schedule 10 is amended to ensure that Group Relief is available in instances of non-partition demergers. The Order amends paragraph 7 of that Schedule to include a reference to Paragraph 9. The overall effect is to ensure that Paragraph 5(b), which restricts the availability of group relief where two companies cease to be 75% members of the same group, does not apply to relevant transactions.

Schedule 10A is amended to clarify the point at which the relevant five year development period commences in respect of sub-sale development relief.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

The Scottish Ministers have made the following statement regarding children's rights.

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Scottish Ministers certify that, in their view, The Land and Buildings Transaction Tax (Group Relief and Sub-sale Development Relief Modifications) (Scotland) Order 2025 is compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

The Scottish Government engaged with stakeholders as part of the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill process.

Impact Assessments

Equal opportunities – This Order does not unlawfully discriminate in any way with respect to any of the protected characteristics (including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) either directly or indirectly.

Human Rights – This Order does not infringe on or affect any subject areas of the European Convention on Human Rights (ECHR). We have not identified any differential impact on human rights nor any impact on any individual's civil liberties.

Privacy impacts – No privacy impacts resulting from this legislation have been identified.

Island communities –No impacts on island communities have been identified.

Local government – No impacts on local government have been identified.

Sustainable development – No impacts on sustainable development have been identified.

Business and Regulatory – A BRIA has been published for the regulations and orders associated with the 2013 Act.

Financial Effects

The Scottish Fiscal Commission has set out its assessment of the impact of these amendments on overall LBTT revenues as part of Scotland's Economic and Fiscal Forecasts December 2024, published on 4 December 2024 at:

Scotland's Economic and Fiscal Forecasts – December 2024 | Scottish Fiscal Commission[1]

Scottish Government
Tax Directorate

24 March 2025

[1] https://fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-december-2024/