



KPMG Comment

- The Scottish Draft Budget confirmed no proposed changes to income tax rates
- The starter and basic rate income tax bands are proposed to increase by inflation
- The higher and top rate thresholds will be frozen at £43,430 (compared to £50,000 elsewhere in the UK), and £150,000 respectively
- There was a surprise proposal to increase the LBTT Additional Dwelling Supplement
- Changes will be made to LBTT non-residential rates and bands

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Income tax



From 6 April 2019 the full Standard Personal Allowance (SPA) increases to **£12,500** for **all** individuals who are UK taxpayers

Proposed tax rates on relevant income of Scottish taxpayers from 6 April 2019:

- **19%** Starter Rate (on income between **£12,500** and **£14,549**)
- **20%** Basic Rate (on income between **£14,550** and **£24,944**)
- **21%** Intermediate Rate (on income between **£24,945** and **£43,430**)
- **41%** Higher Rate (on earnings between **£43,431** and **£150,000**); and
- **46%** Top Rate (on earnings above **£150,000**)

LBTT



The 2018/19 rates and bands of LBTT on residential property will be maintained for 2019/20

The Additional Dwelling Supplement will increase from 3% to **4%** with effect from 25 January 2019

With effect from 25 January 2019, there will be changes to LBTT rates and bands for non-residential transactions

While the lower rate will be reduced to **1%** (currently 3%), the higher rate will increase to **5%** (currently 4.5%) and apply on all consideration over **£250,000** (currently the higher rate applies to consideration over £350,000)

Targeted reliefs will be introduced for PAIFs and CoACCs

SLfT



From 1 April 2019 chargeable disposals to landfill are expected to be subject to Scottish Landfill Tax at:

- **£91.35 per tonne** of waste taxable at the standard rate; and
- **£2.90 per tonne** of waste taxable at the lower rate

The tax credit for contributions to the Scottish Landfill Communities Fund will remain capped at **5.6%** of an operator's total SLfT liability

Other taxes



Business rate increases for 2019/20 are proposed to be capped at **2.1%**