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Update to Residential LBTT in light of Covid 19

The recent announcement from Finance Secretary Kate Forbes regarding changes to the residential LBTT (Land and Buildings Transaction tax) is good news for home buyers in Scotland.

The threshold at which LBTT will be paid has been raised from £145,000 to £250,000 and will remain in force **until 31st March 2021**. This means that 80% of Scottish home buyers will be exempt from this tax. The change in threshold will also benefit those purchasing properties costing more than £250,000 saving £2,100. However, the increase in the tax threshold has NOT been extended to non-residential LBTT or second home buyers, the Additional Dwelling Supplement of 4% on the total purchase price remains the same, but the residential LBTT thresholds due for the purchase of a second home would start at £250,000 (see below.) For more detail on the tax bands see [here](#).

Covid 19 adjusted residential LBTT rates to 31/03/2021

<i>Purchase Price</i>	<i>LBTT Rate</i>
Up to £250,000 (previously £145,000)	0%
£250,001 - £325,000	5%
£325,001 - £750,000	10%
Over £750,001	12%

First Time Buyers

First time buyers will also benefit from an additional £50 Million being added to the [First Home Fund](#). This fund is a shared equity scheme providing up to £25,000 to enable first time buyers to get on the property ladder. This increase in funding to £200 Million will enable an estimated additional 2,000 people to purchase their own home. To find out more about this scheme, please [click here](#).

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Contact us

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