

## Scottish Draft Budget 2019/20 on a page



## **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



**LBTT** 



SLfT



Other taxes



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);
- 46% Top Rate (on earnings above £150,000)

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

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

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

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