



T: 0300 244 4000  
E: scottish.ministers@gov.scot

Kenneth Gibson MSP  
Deputy Convener  
Finance and Public Administration Committee  
Room T3.60  
The Scottish Parliament  
Edinburgh  
EH99 1SP

8 February 2023

## LAND AND BUILDINGS TRANSACTION TAX: ADDITIONAL DWELLING SUPPLEMENT

Dear Convener,

I am writing to inform you that I have today published a consultation on proposed legislative changes to the arrangements for the Additional Dwelling Supplement. The Scottish Government's analysis and response to the ADS Call for Evidence, which concluded in March 2022, has also been published.

The consultation seeks views on proposed legislative amendments intended to address a number of issues of concern raised by stakeholders. I can confirm that these include a proposed amendment to the tax treatment of local authorities when they purchase properties for affordable housing purposes, where purchases are supported by the Scottish Government through grant or other forms of financial assistance. This will address the concerns which were understandably raised with me by members of the Committee on 17 January.

During committee scrutiny, you asked if it would be possible to assess how much of the additional £34m forecast to be raised by the ADS rate increase announced at Budget 2023-24 would be raised from local authorities. It is unfortunately not possible to answer this on the basis of the available information. The policy note accompanying legislation introduced to the Scottish Parliament to provide for any changes to the ADS, including in terms of the tax treatment of local authorities, will however include commentary on the estimated financial implications.

The consultation will run for 8 weeks and responses will be considered carefully before the Scottish Government sets out its next steps, expected to be the laying of an SSI in Parliament to allow for necessary scrutiny of the proposals before changes are given effect.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

St Andrew's House, Regent Road, Edinburgh EH1 3DG  
[www.gov.scot](http://www.gov.scot)



I hope that this is helpful in setting out the context for this consultation.

**TOM ARTHUR**

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

St Andrew's House, Regent Road, Edinburgh EH1 3DG  
[www.gov.scot](http://www.gov.scot)

**INVESTORS IN PEOPLE**<sup>™</sup>  
We invest in people Silver

