

29 January 2020

Land and Buildings Transaction Tax (LBTT) Leases from Park First

Investor obligations to Revenue Scotland

Investors who have entered into leases for car parking spaces in Scotland have reporting obligations to Revenue Scotland. A tax return is therefore required from you.

Revenue Scotland (<https://www.revenue.scot/>) is responsible for the management and collection of Scotland's devolved taxes, including taxes due under the Land & Buildings Transaction Tax (Scotland) Act 2013 (LBTT).

What do I have to do if I have a lease?

The Land and Buildings Transaction Tax (LBTT) was introduced on 1 April 2015 and it applies to you as you are leasing non-residential land or property in Scotland.

Where a notifiable lease has been granted on or after 1 April 2015 as the leaseholder, you are responsible for submitting an LBTT tax return.

You are also required to advise Revenue Scotland about your lease at three-yearly intervals.

You must submit an assignation return if you assign (transfer) your lease to a new tenant.

You have an obligation to notify Revenue Scotland if your lease has ended.

I currently have a lease with Park First

At every third anniversary since the start of your lease (years 3, 6, 9 etc.) you will be required to submit further tax returns.

Revenue Scotland provides guidance to support you to comply with your tax obligations.

A return is still required even if you have no tax to pay. Penalties apply if you do not submit your tax return on time. You may be eligible for a repayment or may need to pay more tax.

I have assigned (transferred) my lease to a new tenant

When a lease has been assigned (transferred) to a new tenant, the assignor (outgoing tenant) has to submit a further return to Revenue Scotland. The name and address details of the new tenant should be inserted in to the assignation return.

I have ended my lease with Park First

When a lease notified to Revenue Scotland ends, you must submit a further LBTT return. This return is required within 30 days of the day your lease ended.

This further return is still required even if there have been no changes to the lease or if no additional tax is payable.

What to do next

You must submit further returns to provide statutory notification of the lease termination.

There are three ways to file a further LBTT return:

- **Scottish Electronic Tax System (SETS)** - The online portal used by solicitors and agents to file LBTT returns. This option is not available to private individuals acting in an individual capacity.
- **Online lease review return** - This return should be used by tenants only. Tenants do not have to sign up to use this form and will have 90 minutes to complete the return.
- **Paper return** – This option is available to both tenants and agents.

These returns and guidance on how to submit them can be found at

<https://www.revenue.scot/land-buildings-transaction-tax/leases>

What happens if I fail to adhere to my tax obligations

Revenue Scotland provides guidance on what happens if you fail to comply with your obligations to file a tax return - <https://www.revenue.scot/compliance-dispute-resolution/compliance-and-enquiries-factsheets>. If you fail to comply with your tax obligations, you may be liable for a penalty. You will also have to pay back any outstanding tax with interest.

I need further support

Revenue Scotland provides a range of guidance to assist. This can be found here:

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/how-to>

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/how-to/how-make-lbtt-lease-review-return>

<https://www.revenue.scot/land-buildings-transaction-tax/guidance/lbtt-legislation-guidance/leases/lbtt6030-lease-worked>

You can also speak to your appointed tax advisor or solicitor.