

30 November 2016

## Supplementary forecast information release

### Devolved tax forecasts

- 1.1 The OBR is releasing the information below following a request for further detail underlying the November 2016 *Devolved taxes forecast*. We will, as far as possible, meet ongoing requests to release supplementary forecast information where this will improve the quality of public debate on the public finances. Our full release policy is available on our website.
- 1.2 We have been asked to show how total UK receipts for non-savings non-dividend income tax, property transactions taxes, landfill taxes, aggregates levy and air passenger duty are split between those devolved to the Scottish Parliament and Welsh Assembly and those that remain for the UK Government. We have also been asked about our forecast for the amount that will be raised by the additional dwellings supplement in the Scottish land and buildings transaction tax (LBTT),<sup>1</sup> and the additional properties surcharge for stamp duty land tax (SDLT) from transactions in Wales.
- 1.3 Tables 1.1 to 1.5 present the breakdowns of our UK forecasts for each tax. These estimates can be derived from material in the *Devolved taxes forecast* and our main *Economic and fiscal outlook*. We have presented the devolved taxes in all years on the basis that they will ultimately be devolved, so in some years the UK total excluding Scottish and Welsh elements is notional. For example, for income tax this estimate is based on the full devolution of non-savings non-dividends (NSND) income tax receipts to the Scottish Parliament, which will not take place until April 2017, and the Welsh rate of income tax (WRIT) to the Welsh Assembly, which is still subject to legislation. For more information on the schedule of tax devolution see the introduction of the devolved taxes publication.

Table 1.1: Breakdown of total UK non-savings non-dividends income tax receipts<sup>2</sup>

	£ million						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Whole UK NSND income tax	156,896	159,415	163,070	169,333	177,075	185,605	195,634
of which:							
Scottish income tax (full NSND basis)	11,381	11,525	11,768	12,220	12,770	13,432	14,181
Welsh income tax (WRIT basis)	1,928	1,941	1,981	2,057	2,151	2,264	2,391
UK excluding Scottish income tax	145,515	147,890	151,303	157,113	164,305	172,174	181,453
UK excluding Scottish and Welsh income tax	143,587	145,950	149,322	155,056	162,154	169,909	179,062

<sup>1</sup> LBTT replaced stamp duty land tax in Scotland in April 2015.

<sup>2</sup> Shaded cells represent notional estimates for years when tax devolution has not occurred or been confirmed.

Table 1.2: Breakdown of total UK receipts from stamp duty land tax and land and buildings transaction tax<sup>2</sup>

	£ million						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Whole UK property transaction taxes	11,129	11,596	12,608	13,603	14,791	16,143	17,439
of which:							
Scottish LBTT (SDLT already devolved)	416	483	539	596	657	726	796
Welsh SDLT	152	198	221	240	261	289	319
UK excluding Scottish LBTT	10,713	11,113	12,069	13,007	14,135	15,417	16,643
<b>UK excluding Scottish LBTT and Welsh SDLT</b>	<b>10,561</b>	<b>10,915</b>	<b>11,848</b>	<b>12,767</b>	<b>13,873</b>	<b>15,128</b>	<b>16,324</b>

Table 1.3: Breakdown of total UK receipts from landfill tax<sup>2</sup>

	£ million						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Whole UK landfill taxes	1,032	1,072	933	822	764	728	717
of which:							
Scottish landfill tax (already devolved)	148	154	134	118	110	105	103
Welsh landfill tax	34	35	30	27	25	24	23
UK excluding Scottish landfill tax	884	918	799	704	654	623	614
<b>UK excluding Scottish and Welsh landfill taxes</b>	<b>851</b>	<b>883</b>	<b>768</b>	<b>677</b>	<b>630</b>	<b>599</b>	<b>591</b>

Table 1.4: Breakdown of total UK receipts from aggregates levy<sup>2</sup>

	£ million						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Whole UK aggregates levy	351	365	346	367	362	365	370
of which:							
Scottish aggregates levy	51	53	50	53	53	53	54
Welsh aggregates levy	34	35	33	35	35	35	35
UK excluding Scottish aggregates levy	300	312	296	314	309	312	316
<b>UK excluding Scottish and Welsh aggregates levy</b>	<b>267</b>	<b>277</b>	<b>263</b>	<b>279</b>	<b>275</b>	<b>277</b>	<b>281</b>

Table 1.5: Breakdown of total UK receipts from air passenger duty<sup>2</sup>

	£ million						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Whole UK air passenger duty	3,039	3,228	3,350	3,487	3,653	3,842	4,037
of which:							
Scottish duty	284	302	313	326	342	360	378
<b>UK excluding Scottish duty</b>	<b>2,755</b>	<b>2,926</b>	<b>3,037</b>	<b>3,160</b>	<b>3,311</b>	<b>3,483</b>	<b>3,659</b>

1.4 One source of forecast changes reported in our devolved taxes publication was the estimated receipts from the SDLT additional properties surcharge in Wales and the LBTT additional dwellings supplement in Scotland. These measures came into effect from April 2016. Table 1.6 shows the total revenue that is now expected to be raised from these measures. In both systems refunds are potentially available if the purchaser is replacing

their main residence. These estimates represent the net effect on receipts after assumptions have been made about some receipts subsequently being refunded.

Table 1.6: November 2016 estimates of additional revenue from the additional dwelling supplement and additional properties surcharge

	£ million				
	2016-17	2017-18	2018-19	2019-20	2020-21
Additional dwelling supplement (LBTT Scotland)	87	105	113	121	130
Additional properties surcharge (Wales)	48	55	58	62	66