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Dear Alyson

Forecasts for Scottish LBTT and landfill taxes

Thank you for your letter of 14 November enclosing your 2015-16 forecasts for the Land and Building Transaction tax (LBTT) and Scottish Landfill tax. We would also welcome your offer of an overview of the analytical work that the Scottish Government has done on the transitional effects of LBTT.

We need to include 5-year forecasts of these two revenue streams in order to produce a UK-wide receipts forecast. We have therefore commissioned HMRC to provide us with 5-year forecasts for these two taxes. These will include our own estimates of any forestalling and other behavioural effects from the introduction of the LBTT in April 2015.

We are planning to discuss these HMRC forecasts for LBTT and landfill tax, along with Scottish rate of income tax and the Scottish share of aggregates levy at a meeting either at the end of this week or the start of next week. We would be keen for your colleagues to participate in this meeting (e.g. through a conference call).

*Best regards,
Rob.*

Robert Chote

Chairman