

**Robert Chote**  
*Chairman*

20 Victoria Street  
London SW1H 0NF

Tel: +44 (0) 20 7271 2442

[obrenquiries@obr.gsi.gov.uk](mailto:obrenquiries@obr.gsi.gov.uk)

[budgetresponsibility.org.uk](http://budgetresponsibility.org.uk)

Ms Alyson Stafford  
Director-General Finance  
Scottish Government  
St Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG

6 November 2014

*Dear Alyson*

### **Forecasts for Scottish LBTT and landfill taxes**

As you will be aware, we are currently preparing new forecasts for the UK public finances, for publication alongside the Chancellor of the Exchequer's Autumn Statement on December 3. This will require us to prepare and publish forecasts for the Scottish Land and Building Transactions Tax (LBTT) and the Scottish Landfill Tax in each fiscal year to 2019-20.

To help inform us as we prepare our forecasts, we would be very grateful if the Scottish Government could provide us with its own estimates of the receipts from these taxes over this period, plus details of the methodology used and any assumptions made. We will continue to base our forecasts for the Scottish Rate of Income Tax (SRIT) on modelling carried out for us by HM Revenue and Customs, which as usual we look forward to discussing with you beforehand.

I assume that any forecasts you share with us will be consistent with the estimates published in your Draft Budget on October 9, although we would of course be interested in any subsequent estimates you may have made. As I understand it, the forecast published for the LBTT in 2015-16 did not adjust for forestalling effects (as the bringing forward into 2014-15 of transactions for more highly priced properties was assumed to be offset by the delay in sales for lower-priced properties) or for any longer term behavioural effects. We would be interested in any views you have on the potential size of these effects. Needless to say, if there is any information on our forecasts that would be of help then we would be happy to provide it.

Given our forecast timetable, and that fact that our staffs have already been in contact at working level, we would be grateful to receive the forecast material by Friday November 14. This would allow us to discuss the methodology and forecasts for these taxes, along with the pre-measures forecasts for SRIT and the Scottish share of aggregates levy, in the following week. We would be very happy for the Scottish Fiscal Commission to participate in this meeting as well.

Since taking on responsibility for forecasting the devolved taxes under the terms of the Scotland Act, we have very much valued our good working relationship with Scottish government officials – and the help and advice that they have provided. I hope very much that this can continue and strengthen as the tax devolution process evolves.

Unless you have any objections, I will copy this letter to the Chair of the Scottish Fiscal Commission. We also intend to publish this letter on the OBR website when we publish our December forecasts.

Best regards,  
Robert

Robert Chote

**Chairman**