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SCOTTISH BUILDING SAFETY LEVY: TECHNICAL CONSULTATION

Response by Association of Taxation Technicians

1 Introduction

- 1.1 The Association of Taxation Technicians (ATT) is pleased to have the opportunity to respond to the Scottish Government's technical consultation on the Scottish Building Safety Levy ('the Consultation') issued on 31 July 2026¹. We also welcomed the opportunity to attend an engagement session for representative bodies held on 9 September 2026 and a follow up session on 7 October 2026.
- 1.2 The primary charitable objective of the ATT is to promote the education and study of tax administration and practice. We place a strong emphasis on the practicalities of the tax system. Our work in this area draws heavily on the experience of our members who assist thousands of businesses and individuals to comply with their taxation obligations. This response is written with that background.
- 1.3 Although our head office address is in London, we represent members and students based in Scotland, as well as throughout the rest of the UK. We have a particular interest in the taxes devolved to the Scottish Parliament and have two Technical Officers based in Scotland, enabling us to expand our technical work in this area.
- 1.4 Please note that we have only responded to questions relevant to our remit as a tax professional body.
- 1.5 We would be pleased to discuss any aspect of this submission further. Relevant contact details can be found in Section 3.

¹<https://www.gov.scot/publications/scottish-building-safety-levy-technical-consultation/>

2 Question responses

2.1 Question 1: Do you agree that floorspace should be calculated using Gross Internal Area (GIA)?

- 2.2 As the GIA basis is used for the UK Government's Building Safety Levy in England, we can see an advantage in the same basis being used to calculate floor space for the Scottish Building Safety Levy. Whilst this is not our area of expertise, it is clear that GIA is an easily understood and recognised method of measuring floorspace. Use of GIA in both England and Scotland would increase alignment and simplify administration for businesses present on both sides of the border.

2.3 Question 2: Do you agree that communal areas of a building should be excluded from being charged?

- 2.4 As the Scottish Building Safety Levy is being charged on a per unit basis as opposed to a per development basis, we understand why the Scottish Government would wish to consider excluding communal areas from the charge. To help avoid unintended non-compliance by developers when self-assessing their liability to the levy, the Scottish Government needs to provide clear guidance as to which parts of a building would be considered to be a communal area.

2.5 Question 3: Do you agree that, for the purposes of introducing a relief for units built on brownfield land, the definition of 'brownfield' should include land that is occupied by a building?

- 2.6 This would appear sensible in recognition of a similar relief for brownfield development being available under the UK Government's Building Safety Levy in England and the need to incentivise brownfield development. If the Scottish Government did not grant similar relief in Scotland, it could discourage the regeneration of brownfield sites. Alternatively, it could make Scotland a less attractive location for property developers and reduce the supply of available housing.

2.7 Question 4: Do you agree that, for the purposes of introducing a relief for units built on brownfield land, the definition of 'brownfield' should include land which is considered contaminated land?

- 2.8 It would make sense for contaminated land to be included within the scope of any brownfield relief. We would recommend that the Scottish Government reviews the rules for enhanced Corporation Tax relief for land remediation expenditure² before deciding on how to expand the scope of brownfield relief in respect of contaminated land.

We would particularly draw attention to the rules denying relief where the entity responsible, or a connected person, is the original polluter³. The Scottish Government may wish to replicate similar provisions to ensure that brownfield land relief is appropriately targeted.

2.9 Question 10: What percentage rate of relief do you think should be applied to units built on brownfield land?

- 2.10 We would suggest that the rate of relief should be at least the 50% available under the UK Government's Building Safety Levy in England. However, the Scottish Government may wish to consider providing additional relief if it wants to incentivise a particular type of regeneration or where the brownfield land is located in an area where the Scottish Government wishes to incentivise investment.

² [Section 1144 Corporation Tax Act 2009](#)

³ [Section 1150 Corporation Tax Act 2009](#)

The Scottish Government may also wish to consider the merits of providing additional relief to support smaller developers, in line with the enhanced Corporation Tax relief for Research and Development expenditure that was available for Small and Medium Enterprises until recent years.

2.11 Question 11: Do you agree that a further relief or exemption should be provided for conversions?

- 2.12 We would support a further relief or exemption for conversions, although the Scottish Government would need to ensure that this was designed so as to ensure that developers were unable to claim more relief than intended (for example, if the work would also qualify for any relief for units built on brownfield land).

We would recommend that the Scottish Government considers whether any such relief could be structured in a similar manner to Flat Conversion Allowances⁴, which operated between 2001 and 2013. The nature of Flat Conversion Allowances was that the relief was clawed back within a seven-year period if certain conditions occurred. Although those conditions are not necessarily relevant to Scottish Building Safety Levy, having a claw back provision for any relief for conversions could help ensure that the relief is appropriately targeted.

2.13 Question 13: Do you agree that BTR and PBSA developments that have been granted a building warrant before 5 June 2025 should be given the option to make payments over a period of up to three years?

- 2.14 We can see the advantages in terms of allowing deferred payments in these circumstances, although we are unable to comment on the extent to which this would be taken up by developers undertaking BTR and PBSA developments. That said, developers are likely to take account of the interest payable for doing so before reaching a decision on commercial grounds on whether to use the instalment option.

2.15 Question 14: What are your views on the introduction of a full or partial relief for taxpayers responsible for completed units that are sold onto first-time buyers?

- 2.16 We would welcome the introduction of a full or partial relief for taxpayers responsible for completed units sold to first-time buyers, which should complement initiatives such as the First Homes Fund⁵ in supporting first-time buyers into the property market. So that relief is effectively targeted, the Scottish Government may wish to consider if a clawback of relief would be appropriate if the property is sold within a set time period.

2.17 Question 15: What are your views on the conditions that would have to be met in order to qualify for a first-time buyer relief?

- 2.18 For consistency from a devolved taxes perspective, it makes sense to use the same criteria as used for Land and Buildings Transaction Tax first-time buyer relief⁶, which in the case of joint buyers requires both parties to be qualifying first-time buyers who cannot previously have owned a property anywhere in the world. If the Scottish Government wished to further target the first-time buyer relief, it could use the £300,000 limit used for the First Homes Fund.

⁴ [Section 393A Capital Allowances Act 2001](#)

⁵ <https://www.gov.scot/policies/homeowners/first-homes-fund/>

⁶ <https://revenue.scot/taxes/land-buildings-transaction-tax/lbtt-legislation-guidance/lbtt3001-exemptions-reliefs/lbtt3010-tax-reliefs/lbtt3048-first-time-buyer-relief>

2.19 Question 16: What evidence would a taxpayer be able to provide to evidence their sale of a property onto a first-time buyer?

2.20 Provided the same criteria are used, the Land and Buildings Transaction Tax return for the sale of the property should provide sufficient corroboration that the property has been sold to a qualifying first-time buyer. Revenue Scotland may wish to update the return to make it easier for purchasers to prove to the property developer that they are indeed first-time buyers.

2.21 Question 18: What other mechanisms should the Scottish Government explore to help support first-time buyers?

2.22 The Scottish Government already has other incentives to support first-time buyers, including reduced Land and Buildings Transaction Tax and the First Homes Fund. This is alongside UK Government initiatives such as the First-Time Buyer ISA being proposed.⁷ Therefore, the Scottish Government already has other measures in place.

3 Contact details

3.1 We would be pleased to join in any discussion or contribute any further evidence relating to this Consultation or any related matter. Should you wish to discuss any aspect of this response, please contact us at atttechnical@att.org.uk.

The Association of Taxation Technicians

4 Note

4.1 The Association is a charity and the leading professional body for those providing UK tax compliance services. Our primary charitable objective is to promote education and the study of tax administration and practice. One of our key aims is to provide an appropriate qualification for individuals who undertake tax compliance work. Drawing on our members' practical experience and knowledge, we contribute to consultations on the development of the UK tax system and seek to ensure that, for the general public, it is workable and as fair as possible.

Our members are qualified by examination and practical experience. They commit to the highest standards of professional conduct and ensure that their tax knowledge is constantly kept up to date. Members may be found in private practice, commerce and industry, government and academia.

The Association has more than 10,000 members and Fellows together with over 7,000 students. Members and Fellows use the practising title of 'Taxation Technician' or 'Taxation Technician (Fellow)' and the designatory letters 'ATT' and 'ATT (Fellow)' respectively.

⁷ <https://www.gov.uk/government/consultations/first-time-buyer-isa-consultation/first-time-buyer-isa-consultation>