
The Scottish Budget 2023-24

Yesterday (15/12/21), Deputy First Minister, John Swinney outlined the Scottish budget for 2023-24 at the Scottish Parliament.

Income Tax Rates and Earnings Bands

Mr Swinney announced the Scottish Government will be increasing the higher and top rates of income tax by 1p in the pound. Consequently, the higher rate will increase to 42% and the top rate to 47%.

The proposed changes to the income tax rates and bands to take effect from 6 April 2023 are as follows:

Tax Band	2022-23		2023-24		Change
	Income	Rate	Income	Rate	
Personal Allowance*	£0-£12,570	0%	£0-£12,570	0%	No Change
Starter Rate	£12,571-£14,732	19%	£12,571-£14,732	19%	No Change
Basic Rate	£14,733-£25,688	20%	£14,733-£25,688	20%	No Change
Intermediate Rate	£25,689-£43,662	21%	£25,689-£43,662	21%	No Change
Higher Rate	£43,663-£150,000	41%	£43,663-£125,140	42%	Increase in tax rate of 1p in the £
Top Rate	More than £150,000	46%	More than £125,140	47%	Threshold reduced from £150,000 to £125,140. Increase in tax rate of 1p in the £

* The Personal Allowance

- The level of Personal Allowance is not under the control of Scottish ministers.
- The Personal Allowance is not fixed for all earners; it is reduced by £1 for every £2 earned between £100,000 and £125,140.

Business Rates

Basic rate of business rate (poundage) charged on properties with a rateable value of less than £51,000 will be frozen at 49.8p.

Land and Buildings Transaction Tax (LBTT)

There will be no alterations to LBTT main residential and non-residential rates and bands.

The First-Time Buyer Relief will continue to be available. This has the effect of increasing the nil rate band from £145,000 to £175,000 for first-time buyers.

The Additional Dwelling Supplement (ADS)

The ADS – paid on the purchase of additional residential properties in Scotland with a minimum value of £40,000 – has been increased from 4% to 6%. This will directly impact landlords with growing portfolios.

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Yesterday (15/12/21), Deputy First Minister, John Swinney outlined the Scottish budget for 2023-24. Here are the tax points from his speech.

Income tax rates and earnings bands

Personal Allowance	0%	No Change
Starter Rate	19%	No Change
Basic Rate	20%	No Change
Intermediate Rate	21%	No Change
Higher Rate	42%	Increase in tax rate of 1p in the £
Top Rate	47%	Threshold reduced from £150,000 to £125,140. Increase in tax rate of 1p in the £

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