Building Safety Levy (Scotland) Bill: ATT response

General Features | Property Tax



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The ATT has responded to the Scottish Parliament's Finance and Public Administration Committee's call for views on legislation to set up the Scottish Building Safety Levy.

The Building Safety Levy (Scotland) Bill was introduced to the Scottish Parliament in June 2025, setting out how the Scottish Building Safety Levy (SBSL) on new residential property in Scotland will operate, ahead of its proposed implementation from 1 April 2027. Whilst the Bill gives an outline, the Scottish Ministers have been granted powers to set details such as the SBSL rates and the levy-free allowance (a set annual number of residential units which will not be subject to the SBSL).

The ATT response considered the buildings which are specifically included and excluded from the SBSL and made comparisons with the Building Safety Levy (BSL) being introduced in England from 1 October 2026. It drew attention to the fact that accommodation for victims of domestic abuse and temporary accommodation for

homeless people is not specifically excluded from the draft SBSL Bill but is excluded from the BSL in England.

Our response also considered the potential impact that a new levy may have on demand for new residential property in Scotland, as well as the possibility that it could incentivise some developers to carry out works to pre-existing buildings instead.

We drew attention to areas of uncertainty, including the treatment of connected persons and whether the power given to the Scottish Ministers to make regulations for partnerships and unincorporated bodies in clause 29 of the Bill would prevent avoidance using unincorporated businesses, limited liability partnerships and companies as a means of securing additional levy-free allowances.

The full ATT response can be found here: www.att.org.uk/ref488

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