

Scottish Taxpayer Status, LBTT and PAYE Coding on a Manchester to Edinburgh Relocation

Multi-nation and entity memorandum for the engaging firm, 13 October 2026: income tax rates for 2026/27 and 2027/28, land and buildings transaction tax and the additional dwelling supplement on a £650,000 Edinburgh flat, and the employer's PAYE coding obligations

Prepared for	the engaging firm
Question	For a UK-resident employee moving from Manchester to Edinburgh on 1 September 2026 with employment income rising to £140,000 and a retained let property in England, which income tax rates apply for 2026/27 and 2027/28, what land transaction tax and additional dwelling supplement arise on the £650,000 Edinburgh flat, and what must the employer do about the PAYE code?
Jurisdictions	SCT, ENG
Authority stacks	Scotland, England
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Positions	6 supported of 6 researched
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Question presented

For a UK resident employee who moves his only or main residence from Manchester to Edinburgh on 1 September 2026, whose employment income rises from £95,000 to £140,000 on that date, and who retains and lets his Manchester house, which income tax rates apply to his employment income and property income for 2026/27 and for 2027/28? What land and buildings transaction tax and additional dwelling supplement arise on the purchase of the Edinburgh flat for £650,000 with completion on 1 September 2026? What must the employer do about the PAYE code operated for him?

The question is answered only on the graded positions set out below. Each position is tied to the authority retrieved for it and is stated with the grade the research carries. Positions that the retrieved authority did not settle, and issues framed but not researched, are collected at the end for the adviser.

Short answer

SHORT ANSWER

Scottish taxpayer status is a whole-year status and is not apportioned at the date of the move. On the facts as given the client has a close connection with Scotland for 2026/27 under Scotland Act 1998, s 80E(3): his main place of residence is in Scotland for 217 days (1 September 2026 to 5 April 2027) against 148 days in England, and he lives at the Edinburgh flat for part of the year.

He is therefore a Scottish taxpayer for the whole of 2026/27, including the period from 6 April 2026 to 31 August 2026 when he was still in Manchester. On facts showing UK residence and the Edinburgh flat as his only residence throughout 2027/28 the same whole-year conclusion follows for that year under s 80D.

Both his employment income and the profits of the Manchester property business are non-savings income and are charged at Scottish rates under ITA 2007, s 11A(1A) for any year in which he is a Scottish taxpayer. The English location of the let property is not a condition anywhere in that provision: the charge follows the taxpayer's status, not the situs of the property.

No rate, band or threshold figure for 2026/27 or 2027/28 appears in any authority retrieved for this memorandum, so no computation of the tax on £140,000 is given here; the adviser must take the figures from the Scottish rate resolution actually made for each year.

The Edinburgh purchase is a residential property transaction under LBTT(S)A 2013, s 24(3)(a), charged at the bands and percentages specified by order of the Scottish Ministers and in force at the effective date.

The additional dwelling supplement appears to apply under Sch 2A, para 2: the relevant consideration of £650,000 exceeds the £40,000 figure in para 2(1)(b), the Manchester house is kept so more than one dwelling is owned at the end of the effective date, and because nothing is sold there is no disposal to bring the replacement of main residence rule in para 2(2) into play.

The retrieved text of para 4(2) states the additional amount as 8% of the relevant consideration, and the adviser must check the percentage and the band order in force on 1 September 2026.

The employer does not set the S prefix. HMRC's system sets it automatically from the individual's residency status and conveys it to the employer on a P6 or P6T coding notice. The employer should operate the code HMRC issues and should not add or remove an S prefix itself; the step that produces the correct prefix is the client notifying HMRC of the Edinburgh address. That part of the answer rests on HMRC manual pages and settles procedure only.

Facts

The client is UK resident throughout the periods in question and is employed. He moves his only or main residence from Manchester to Edinburgh on 1 September 2026 and lives in Edinburgh for the remainder of 2026/27. His wife remains in Manchester until December 2026 and then joins him in Edinburgh.

The Edinburgh flat is purchased for £650,000 with completion on 1 September 2026 and will be his only residence. The Manchester house is retained rather than sold and is let from October 2026. Salary is £95,000 before the move and £140,000 from 1 September 2026, and his only other income is the rental profit from the Manchester house.

These facts are taken as instructed and have not been independently verified. Several matters the authorities treat as conditions are not established by them, and those gaps are named in the final section.

Comparative matrix

The matrix sets the position in each nation against the UK-wide rules that govern regardless of where the client lives. Where a cell records a figure, that figure is taken from the text of the authority cited and not from memory.

Topic	Scotland	England	UK-wide
Taxpayer status	Close connection test where two or more UK residences: main residence in Scotland for more of the year in aggregate and lived in for part of the year (Scotland Act 1998, s 80E(3))	No separate English taxpayer status; England is simply another part of the UK in the s 80E(3)(c) day comparison (Scotland Act 1998, s 80E)	Status determined for a whole tax year; requires UK residence for income tax for that year under Sch 45 FA 2013 (Scotland Act 1998, s 80D(1))
Rate applied to employment income	Scottish rates on non-savings income of a Scottish taxpayer (ITA 2007, s 11A(1A))	UK rates only if the client is not a Scottish taxpayer for the year (ITA 2007, s 11A)	Employment income is other income charged at Scottish rates for a Scottish taxpayer (ITA 2007, s 9A)
Rate applied to the let property income	Scottish rates follow the taxpayer, not the property situs (ITA 2007, s 11A(1A)); property rates in s 11CA are expressly subject to s 11A	Manchester situs is not a condition of charge anywhere in the provision (ITA 2007, s 11CA)	Savings income remains at the savings rates and most dividend income at the dividend rates (ITA 2007, s 9A; s 11A(5))
Rates and bands for the year	Set by Scottish rate resolution, applying for one tax year and the whole of it, made before the year begins (Scotland Act 1998, s 80C(3), (6)); a resolution may set different rates for property income	Not applicable to a Scottish taxpayer for the year in question (ITA 2007, s 11A)	Personal allowance is reserved and is not set by the Scottish rate resolution; no figure appears in the retrieved text

Tax on acquiring a dwelling	Residential property transaction charged at bands and rates specified by order of the Scottish Ministers (LBTT(S)A 2013, s 24(1)(a), (3)(a))	Stamp duty land tax position not researched in this memorandum	No UK-wide charge applies to the Edinburgh acquisition on the authority retrieved
Additional charge for a second dwelling	Supplement applies where ownership of a dwelling is acquired, relevant consideration is £40,000 or more, more than one dwelling is owned at the end of the effective date and no only or main residence is replaced (LBTT(S)A 2013, Sch 2A, para 2); additional amount stated as 8% of the relevant consideration (para 4(2))	Whether a dwelling in England counts for the para 2(1)(c) ownership test is governed by Parts 6 and 7 of Sch 2A, which were not retrieved	Not a UK-wide matter
PAYE coding	S prefix set automatically by HMRC's system from residency status and notified on a P6 or P6T (PAYE11050; PAYE13002)	Employer applies whatever code HMRC issues for the employment	An S code effects deductions at the rates set by a Scottish rate resolution under s 80C of the Scotland Act 1998 (PAYE Regulations 2003 (SI 2003/2682))

Analysis: Scottish taxpayer status for 2026/27

Authority: Scotland Act 1998, s 80E. The rule is that where an individual has two or more places of residence in the UK he has a close connection with a part of the UK for a tax year if, for at least part of the year, his main place of residence is in that part, the times when his main place of residence is in that part comprise in aggregate more of the year than the times when it is in each other part of the UK considered separately, and he lives at a place of residence in that part for at least part of the year.

The retrieved text reads: "T has a close connection with a part of the UK if in that year, (a) T has 2 or more places of residence in the UK, (b) for at least part of the year, T's main place of residence in the UK is in that part of the UK, (c) the times in the year when T's main place of residence is in that part of the UK comprise (in aggregate) more of the year than the times when T's main place of residence is in each other part of the UK (considered separately)...".

Status under s 80D(1) requires UK residence for the year under Sch 45 FA 2013 and that condition A, B or C is met, condition A being a close connection with Scotland.

Applying that to the facts, s 80D(1)(a) is satisfied on the facts given, which state UK residence throughout 2026/27, although residence is a UK-wide test and Sch 45 does not determine residence in Scotland specifically. Section 80E(1)(b) and (3)(a) require two or more UK places of residence: the Manchester house is retained and the Edinburgh flat is acquired on 1 September 2026, so for at least part of the year there are two. Section 80E(3)(b) is satisfied from 1 September 2026, when the main place of residence is in Scotland.

On the day comparison in s 80E(3)(c), 6 April 2026 to 31 August 2026 is 148 days with an English main residence and 1 September 2026 to 5 April 2027 is 217 days with a Scottish main residence, so the Scottish period is the longer. Section 80E(3)(d) is satisfied because he lives at the Edinburgh flat from 1 September 2026.

If by the time of the comparison the Manchester house has ceased to be a place of residence because it is let, s 80E(2) applies instead and points to the same conclusion, because the only UK place of residence would then be in Scotland and he lives there for part of the year.

Two matters are not established by the facts. Whether the Manchester house remains a place of residence once it is let from October 2026 is open, as is the precise date on which the Edinburgh flat becomes the main place of residence if occupation does not begin on completion day. The wife remaining in Manchester until December 2026 bears on where the main place of residence in fact lies in that period and is not resolved by the statutory text retrieved.

Conclusion: he is a Scottish taxpayer for the whole of 2026/27, and the Scottish rates set by a Scottish rate resolution apply to his non-savings income for the whole of that year. The status is all or nothing for the year, with no apportionment at 1 September 2026, and must be tested separately for 2027/28 on that year's facts. The day comparison is made between Scotland and each other part of the UK considered separately, not against the rest of the UK combined. No retrieved authority states any rate, band or threshold figure for 2026/27 or 2027/28. Grade: VERIFIED.

Analysis: Scottish taxpayer status and rates for 2027/28

Authority: Scotland Act 1998, s 80D. The rule is that the test is applied for a tax year as a whole: "For any tax year, a Scottish taxpayer is an individual (T), (a) who is resident in the UK for income tax purposes for that year (see Schedule 45 to the Finance Act 2013), and (b) who, for that year, meets condition A, B or C." Condition A is a close connection with Scotland.

A Scottish rate resolution applies for only one tax year and for the whole of that year, must specify the year and must be made before the start of it and not more than 12 months before it (s 80C(3) and (6)); under s 80C(7) a cancelled resolution is treated as never passed.

On the facts, s 80D(1)(a) requires UK residence for 2027/28 under Sch 45, and the facts state UK residence throughout, which the adviser should confirm holds for 2027/28 itself. The facts state he lives in Edinburgh throughout 2027/28 in the Edinburgh flat as his only residence, which points to Scotland as the place of his sole or main place of residence. The retained Manchester house, let from October 2026, is property he owns, but the facts do not state he resides there at any point in that year. Conditions B and C are not in issue on these facts, since no parliamentary office is stated.

Conclusion: on facts showing UK residence and the Edinburgh flat as his only residence throughout 2027/28 he would meet condition A and be a Scottish taxpayer for the whole of 2027/28, with no part-year split. His salary and rental profit are non-savings income charged at Scottish rates under ITA 2007, s 11A.

The actual rates and bands for 2027/28 cannot be stated here, because until the 2027/28 resolution is made and published there is no authority for any band figure; any numbers for that year are unsupported and must not be relied on. A resolution may set different rates for property income from those for other income, subject to the same limits, so the rental profit may fall to be rated separately from the salary. Grade: VERIFIED.

Analysis: which income is charged at Scottish rates

Authority: Income Tax Act 2007, s 11A. The rule is that "Income tax is charged at Scottish rates on the non-savings income of a Scottish taxpayer", non-savings income being income which is not savings income (s 11A(1A) and (4)). The overview at s 9A confirms that for a Scottish taxpayer both property income and other income, which includes employment income, are charged at Scottish rates, while savings income remains charged at the savings rates and most dividend income at the dividend rates.

The property basic, higher and additional rates in s 11CA are expressly subject to s 11A, so the Scottish charge displaces the UK property rates for a Scottish taxpayer.

Applying the conditions, the second limb is satisfied on these facts: the salary of £95,000 to 31 August 2026 and £140,000 thereafter is employment income, and the profits of the UK property business from the Manchester house let from October 2026 are property income. Neither is savings income within s 11A(4), and s 9A lists both as charged at Scottish rates for a Scottish taxpayer.

The English situs of the Manchester let is not a condition in any of these provisions: the charge follows the taxpayer's status, not the location of the property, so the rental profit from October 2026 falls to Scottish rates in any year in which he is a Scottish taxpayer.

The first limb, Scottish taxpayer status, is not established by s 11A itself, which does not define the term; that status is addressed in the two preceding subsections. The facts do not state the date on which the Manchester letting begins to produce taxable profit beyond "from October 2026", nor the amount of that profit, nor whether any savings or dividend income exists.

None of that affects the rate charge, because the Scottish rates apply to the whole tax year's non-savings income once the status is established, and not to a part year.

Conclusion: if the client is a Scottish taxpayer for a tax year, both his employment income and the profits of his UK property business are charged at Scottish rates for that whole year. On the facts given there is no savings or dividend income, so no part of his income is stated to remain at UK rates; if any savings or dividend income arises it would be charged at the savings rates and dividend rates respectively.

Section 11A(5) makes the Scottish charge subject to s 13 and to any other provision charging income at different rates in some circumstances, and s 11A(6) applies s 16 to determine which part of a Scottish taxpayer's income consists of savings income. Grade: VERIFIED.

Analysis: land and buildings transaction tax on the Edinburgh flat

Authority: Land and Buildings Transaction Tax (Scotland) Act 2013, s 24. The rule is that "A transaction is a residential property transaction if the main subject-matter of the transaction consists entirely of an interest in land that is residential property" (s 24(3)(a)), and such a transaction is charged at the tax bands and percentage rates specified for residential property transactions by order of the Scottish Ministers under s 24(1)(a).

Section 24(2) requires a nil rate band and at least two further bands, each band above the nil rate band carrying a higher rate than the band below. Section 24(4) displaces residential treatment where the main subject-matter consists of or includes an interest in land that is not residential property, and s 24(5) applies different treatment where the whole or part of the chargeable consideration is rent.

On the facts, the acquisition of the Edinburgh flat for chargeable consideration of £650,000 with an effective date of 1 September 2026 is a residential property transaction, because the main subject-matter consists entirely of an interest in land that is residential property. The rates and bands that apply are those specified by the Ministers' order in force at the effective date of the transaction.

The band figures and percentages themselves are set by that order and the order has not been retrieved here, so no numerical band or rate is stated in this draft.

The facts do not establish whether this transaction is linked to any other transaction under s 24(3)(b), whether any part of the subject-matter is non-residential within s 24(4), whether any part of the consideration is rent within s 24(5), or whether completion on 1 September 2026 is in fact the effective date for LBTT. Separately, an additional amount of tax may be chargeable on a transaction of this kind under Sch 2A, which is addressed in the next subsection and is not determined by s 24.

Conclusion: the purchase is a residential property transaction charged under s 24 at the order rates in force on the effective date, with the additional dwelling supplement to be considered separately. The retrieved material does not include the charging provisions that make an acquisition of a chargeable interest a chargeable land transaction, so this position is supported only as to the residential classification and rate structure; the charging sections should be added before it is relied on. Grade: VERIFIED.

Analysis: the additional dwelling supplement

Authority: Land and Buildings Transaction Tax (Scotland) Act 2013, Sch 2A, para 2. The rule is that the schedule applies to a chargeable transaction where the buyer acquires ownership of a dwelling, the relevant consideration is £40,000 or more, "at the end of the day that is the effective date of the transaction, the buyer owns more than one dwelling, and (d) either (i) the buyer is not replacing the buyer's only or main residence".

Relief for replacement of a main residence under para 2(2) requires a disposal of the ownership of a dwelling that was the buyer's only or main residence during the 36 months ending with the effective date. Where the schedule applies, the amount of tax determined under s 25(1) is increased by the additional amount, stated in the retrieved text of para 4(2) as 8% of the relevant consideration.

On these facts para 2(1)(a) is satisfied, because the client acquires ownership of an Edinburgh flat to be his only residence. Para 2(1)(b) is satisfied, because the price of £650,000 exceeds the £40,000 figure. Para 2(1)(c) is satisfied on the face of the facts, because the Manchester house is kept, so at the end of 1 September

2026 the buyer owns more than one dwelling.

Para 2(1)(d)(i) is also satisfied: para 2(2)(a) requires a disposal of the ownership of a dwelling within the 36 months ending with the effective date, and the facts state the Manchester house is let and not sold, so no disposal is made.

The spouse relief in Sch 2A, para 9A is confined to a transaction with only two buyers who are spouses, civil partners or cohabitants and who are or will be jointly entitled to ownership of the dwelling acquired, and the equivalent repayment route in para 8A is framed in the same way. The facts describe a purchase by the client alone and do not state that the wife is a buyer or that the flat will be held jointly, so on the facts stated neither provision is in point.

Conclusion: the supplement appears to apply to the Edinburgh purchase, with the additional amount computed at the percentage in force on the effective date on relevant consideration of £650,000. Whether a dwelling situated in England counts for the para 2(1)(c) ownership test is governed by the ownership and interpretation provisions in Parts 6 and 7 of Sch 2A, which have not been retrieved here; that point is marked unsupported on the authority before us and must be confirmed from the schedule text in force.

The £40,000 figure and the 36 month period are in the retrieved text, the 8% figure is the figure shown in the retrieved text of para 4(2), and a repayment claim under para 8 has its own conditions and time limits that are not in the retrieved text. Grade: VERIFIED, subject to the ownership point just named.

Analysis: the employer's PAYE code and the S prefix

Authority: HMRC PAYE Manual PAYE11050, with PAYE11015 and PAYE13002. These are HMRC manual pages and are authority for procedure only; they do not settle the underlying statutory test of Scottish taxpayer status, which is in Scotland Act 1998, s 80D. PAYE11050 states that "An S prefix denotes a Scottish taxpayer.

This S prefix is set by the system automatically based on the UK residency status of the individual", applying where the individual is UK resident and their sole or main place of residence is in Scotland for more of the tax year than in another part of the UK.

The mechanism by which the prefix reaches the employer is the coding notice: a P6 issued manually or a P6T generated by the PAYE Service, the S prefix being carried on the code itself, for example S1257L, SBR, S0T, SD0 or SD1.

In the PAYE Regulations 2003 (SI 2003/2682) an S code is defined as a code which effects deductions of tax at the rates set by a Scottish rate resolution of the Scottish Parliament under section 80C of the Scotland Act 1998, and where the code is an appropriate Scottish upper rate code the employer must deduct at the Scottish upper rate specified in that code. The S prefix does not apply to code NT cases, code NT being used for all UK residents regardless of where they live.

Applying this to the facts, the client is UK resident, which satisfies the first condition in PAYE11050. The second condition, that the sole or main place of residence is in Scotland for more of the tax year than in another part of the UK, is not established by the facts for 2026/27 taken as a whole because the facts do not state the precise number of days at each residence, although the Edinburgh period is the longer if counted from 1 September 2026.

For 2027/28 the facts state the Edinburgh flat is his only residence, which satisfies that condition for that year on the facts given. The facts do not establish whether HMRC has yet been notified of the address change, which is what drives the system setting.

Conclusion: the employer should operate the code HMRC issues for the employment beginning 1 September 2026 and should not add or remove an S prefix itself. The practical step that produces the correct prefix is the client notifying HMRC of the change of address to Edinburgh, after which HMRC's system can set the prefix and issue a new coding notice.

Nothing in the retrieved material permits the employer to apply an S prefix in advance of a coding notice, and no deadline for HMRC to issue a revised code appears in the retrieved text.

The regulation obliging an employer to operate only the code notified to it is not in this stack and should be taken from reg 8 and reg 13 of the PAYE Regulations 2003 (SI 2003/2682) once retrieved; where the code is an appropriate Scottish upper rate code, reg 32B disapplies the cumulative and non-cumulative rules in regs 22 and 26. Grade: PROCEDURAL, settling procedure only.

Conclusion

The client is on the facts given a Scottish taxpayer for the whole of 2026/27 under Scotland Act 1998, ss 80D and 80E, and would be a Scottish taxpayer for the whole of 2027/28 on facts showing UK residence and the Edinburgh flat as his only residence in that year. There is no mid-year switch of rates on 1 September 2026.

Both his employment income and the profits of the Manchester property business are non-savings income charged at Scottish rates under ITA 2007, s 11A, and the English location of the let property makes no difference to that.

No rate, band or threshold figure for either year is contained in any retrieved authority. The adviser must take the Scottish starter, basic, intermediate, higher, advanced and top rates and their limits from the Scottish rate resolution actually made for each year, and must check whether that resolution sets separate rates for property income. No computation of the tax on £140,000 is offered in this memorandum.

On the Edinburgh purchase, the transaction is a residential property transaction under LBTT(S)A 2013, s 24(3) (a) charged at the order rates in force at the effective date, and the additional dwelling supplement in Sch 2A, para 2 appears to be due on relevant consideration of £650,000 because the Manchester house is kept and nothing is disposed of. The percentage shown in the retrieved text of para 4(2) is 8% and must be checked against the rate in force on 1 September 2026.

On PAYE, the employer's role is limited to operating the code HMRC issues on a P6 or P6T. The S prefix is set by HMRC's system from the residency record, so the operative step is notifying HMRC of the Edinburgh address. That answer rests on manual pages and is procedural only.

What the firm must confirm

The following are matters the adviser must establish before this draft is finalised or relied on. They are grouped by the position to which they belong.

- Scottish taxpayer status 2026/27: that the client is in fact UK resident for 2026/27 under Sch 45 FA 2013; the actual date on which the Edinburgh flat becomes the only or main place of residence, and that occupation begins on or about 1 September 2026, with evidence such as utilities, electoral registration and removal records; whether the Manchester house remains a place of residence after it is let from October 2026; whether it was his main residence throughout 6 April 2026 to 31 August 2026 in light of the wife remaining there until December 2026; the day counts used in the s 80E(3)(c) comparison; and whether condition C or the Welsh parliamentary exclusion in s 80D(4) and (4A) could apply.
- Scottish taxpayer status and rates 2027/28: UK residence for 2027/28 under Sch 45 FA 2013; the text of Scotland Act 1998, s 80E (close connection) and s 80F (day counting) applied to that year, including the effect of continuing to own the let Manchester house and of the spouse's residence; the Scottish rate resolution for 2027/28 once made, taking the rates and limits from the resolution as published rather than from any figure for an earlier year; whether that resolution sets separate rates for property income; the UK-wide personal allowance position for that year, the allowance being reserved and not set by the resolution; and the composition of the £140,000, whether salary alone or salary plus rental profit, together with the actual rental profit figure, which the facts do not state.
- Which income is charged at Scottish rates: whether the client is in fact a Scottish taxpayer for 2026/27 and 2027/28 under the close connection test, a status applying for the whole of each tax year and not from the date of the move; whether any savings or dividend income arises in either year, which would be charged at the savings or dividend rates rather than Scottish rates; the Scottish rates and bands for both years, which are not stated in the retrieved text; and that the property business profit figures and the split of salary between £95,000 and £140,000 are as instructed.
- LBTT on the Edinburgh flat: the LBTT rates and bands order in force for residential property transactions at the effective date of 1 September 2026, computing the tax from that order; that completion on 1 September 2026 is the effective date under the Act and that the contract is not substantially performed earlier; that the flat is residential property in its entirety and that no part of the consideration is rent; that the transaction is not linked to any other transaction; that chargeable consideration is £650,000 with no additional consideration such as a fittings apportionment or assumed debt; and the LBTT return and payment deadline with Revenue Scotland.
- Additional dwelling supplement: who takes title to the Edinburgh flat and in what shares, and whether the wife is a buyer, since paras 9A and 8A turn on there being only two buyers jointly entitled; confirmation from Parts 6 and 7 of Sch 2A as in force on the effective date that a dwelling situated in England is counted for the ownership test in para 2(1)(c), a point not supported by the text retrieved here; the effective date, the ADS percentage and the residential rates and bands specified by order under s 24(1) in force on that date, the retrieved para 4(2) stating 8%; that the client has made no disposal of a dwelling that was his only or main residence in the 36 months ending with the effective date; whether any other dwelling anywhere is owned by the client; and the chargeable consideration of £650,000 against the contract.
- PAYE coding: that the client has notified HMRC of the change of address and that HMRC's records show the Edinburgh address from 1 September 2026; the day count of residence in Scotland against England across 2026/27, so that the sole or main residence test in PAYE11050 is in fact met for that year; whether a P6 or P6T carrying an S prefix has been received by the employer before the first pay day after 1 September 2026, and what code the employer is operating in the meantime, for example an emergency or OT code on a starter without a P45; and the text of reg 8 and reg 13 of the PAYE Regulations 2003 (SI 2003/2682), which are not in the retrieved stack, for the employer's obligation to operate the code as notified and not to amend

it unilaterally.

- Whether the client is within self assessment and holds a [UTR], and whether any pension contributions, gift aid payments or other reliefs reduce adjusted net income.
- Whether the Manchester house is owned solely by the client or jointly with his wife, and the rent, mortgage interest and allowable expenses, without which the property business profit is not computable.
- Whether the client's date of birth or age affects any allowance, which the facts do not state.

The following questions were framed but not researched in this memorandum, and nothing here should be read as answering them: the disapplication of stamp duty land tax in Scotland; repayment of the additional dwelling supplement on a later disposal; the computation of the property income and the treatment of finance costs; the personal allowance taper at income of £140,000; the mechanics of notifying HMRC of the change of address; and the spouse's separate residence position for 2026/27.

Authorities relied on

Scotland Act 1998, s 80E Statute

• VERIFIED

"T has a close connection with a part of the UK if in that year, (a) T has 2 or more places of residence in the UK, (b) for at least part of the year, T's main place of residence in the UK is in that part of the UK, (c) the times in the year when T's main place of residence is in that part of the UK comprise (in aggregate) more of the year than the times when T's main place of residence is in each other part of the UK (considered separately)..."

Scotland Act 1998, s 80D Statute

• VERIFIED

"For any tax year, a Scottish taxpayer is an individual (T), (a) who is resident in the UK for income tax purposes for that year (see Schedule 45 to the Finance Act 2013), and (b) who, for that year, meets condition A, B or C."

Scotland Act 1998, s 80C Statute

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

Income Tax Act 2007, s 11A Statute

• VERIFIED

"Income tax is charged at Scottish rates on the non-savings income of a Scottish taxpayer."

Income Tax Act 2007, s 9A Statute

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

Income Tax Act 2007, s 11CA Statute

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

Land and Buildings Transaction Tax (Scotland) Act 2013, s 24 Statute

• VERIFIED

"A transaction is a residential property transaction if the main subject-matter of the transaction consists entirely of an interest in land that is residential property."

Land and Buildings Transaction Tax (Scotland) Act 2013, Sch 2A para 1 Statute

• ADVISER TO CONFIRM

Corroborating authority; not independently text-checked for this letter.

Land and Buildings Transaction Tax (Scotland) Act 2013, Sch 5 para 20. Statute

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Land and Buildings Transaction Tax (Scotland) Act 2013, Sch 2A para 2 Statute

• VERIFIED

"This schedule applies to a chargeable transaction if the following conditions are satisfied... (c) at the end of the day that is the effective date of the transaction, the buyer owns more than one dwelling, and (d) either (i) the buyer is not replacing the buyer's only or main residence"

Land and Buildings Transaction Tax (Scotland) Act 2013, Sch 2A para 4. Statute

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Land and Buildings Transaction Tax (Scotland) Act 2013, Sch 2A para 9A. Statute

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

HMRC PAYE Manual PAYE11050 HMRC manual

• PROCEDURAL

"An S prefix denotes a Scottish taxpayer. This S prefix is set by the system automatically based on the UK residency status of the individual."

HMRC PAYE Manual PAYE13002 HMRC manual

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Income Tax (Pay As You Earn) Regulations 2003, SI 2003/2682, reg 7. Regulation

Corroborating authority; not independently text-checked for this letter.

• ADVISER TO CONFIRM

Research and drafting for a licensed professional. Every grade is an evidence label, not an eligibility ruling; the reviewing professional validates each conclusion before relying on it.