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LANDFALL GUIDE · SCOTLAND

How does Scottish income tax work?

THE SHORT ANSWER

If your main home is in Scotland, you're a Scottish taxpayer. Your earnings, pension and rental income are then taxed at Scottish rates across six bands, rather than the rest of the UK's three. Savings and dividends are still taxed at UK-wide rates, and National Insurance is the same everywhere. Higher earners generally pay a little more than elsewhere in the UK.

For US citizens and green card holders moving to the UK. Build your free, personal move plan at **yourlandfall.com/plan**.

General information, not personal tax, financial, legal or immigration advice.

Who's a Scottish taxpayer?

You're a **Scottish taxpayer** if you're UK resident and your **main home is in Scotland**. Where your employer is based doesn't matter. Someone living in Edinburgh and working for a London company pays Scottish rates.

You'll see it in your **tax code**, which starts with an **S**.

What's taxed at Scottish rates

Income	Rates
Salary and self-employment	Scottish
Pensions	Scottish
Rental income	Scottish
Savings interest	UK-wide
Dividends	UK-wide
Capital gains	UK-wide
National Insurance	UK-wide

The six bands

Scotland has six income tax bands: **starter, basic, intermediate, higher, advanced and top**. The rest of the UK has three: basic, higher and additional. The **personal allowance** (the tax-free amount) is the same across the UK.

The rates and thresholds are set each year by the Scottish Parliament. In broad terms:

- people on **lower incomes** pay slightly less than in England
- people on **middle and higher incomes** pay more, and the gap grows as income rises

Check the current year's rates on GOV.UK.

The US angle

Paying more UK tax usually means **larger foreign tax credits** on your US return. For most Americans in Scotland, the US bill on salary comes to nothing, and excess credits can carry forward. See how to avoid paying tax twice.

Pensions

If you pay into a **personal pension**, relief is added at the basic rate automatically. Scottish taxpayers in higher bands may need to **claim extra relief** through their tax return. Workplace schemes usually handle this for you.

Moving to or from Scotland mid-year

Your Scottish status is decided for the **whole tax year**, based on where your main home was for most of it. Moving across the border part-way through a year can change which rates apply.

What to do next

See what else is different in Scotland, or build your move plan with Scotland as your destination.

See every step for your move. Answer five questions and get a free plan in the right order: yourlandfall.com/plan