

Land transaction tax

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Land Transaction Tax

Land Transaction Tax (LTT) is payable by the purchaser of property in Wales

If you would like to discuss how we can assist you, please contact us on 01494 675321 or by email at info@rousepartners.co.uk

Who pays the tax?

LTT is payable by the purchaser of residential or non-residential property in a land transaction occurring in Wales. Stamp Duty Land Tax (SDLT) is payable on land transactions in England and Northern Ireland and Land and Buildings Transaction Tax (LBTT) on land transactions in Scotland.

What is a land transaction?

A transaction will trigger liability to LTT if it involves the acquisition of an interest in land. This will include a simple conveyance of land, such as buying a house, creating a lease or assigning a lease.

LTT is operated by the Welsh Revenue Authority (WRA), and individuals who are liable to the tax must complete and submit an LTT return (see later).

When is the tax payable?

Individuals must send an LTT return and pay the tax due to the WRA within 30 days of the day after completion (or other effective date of the transaction). Penalties and interest may be charged if you fail to file your LTT return or pay the necessary tax within the 30 days after the day of completion.

In some circumstances, buyers are not required to send a LTT return or pay LTT. These include instances where:

- ▶ no money has exchanged hands
- ▶ a property is left to you and you are not required to make a payment for the transfer of the property
- ▶ property ownership is transferred to you as a result of a divorce or the dissolution of a civil partnership
- ▶ freehold property has been purchased for less than £40,000
- ▶ a new or assigned lease of seven years or more is purchased, and the premium is less than £40,000 and the annual rent is less than £1,000
- ▶ a new or assigned lease of less than seven years is purchased, and the amount you pay is less than the residential or non-residential LTT zero rate threshold.

What if my property straddles the England-Wales border?

For cross-border cases, a home buyer will only be required to pay SDLT on the English part of the transaction and LTT to the WRA for the Welsh part of the transaction.

LTT rates

These are shown in the table below:

Residential property	Band Rates (%)
£0 - £180,000	0
£180,001 - £250,000	3.5
£250,001 - £400,000	5
£400,001 - £750,000	7.5
£750,001 - £1,500,000	10
£1,500,000 and above	12

Non-residential property	Band Rates (%)
£0 - £150,000	0
£150,001 - £250,000	1
£250,001 - £1,000,000	5
£1,000,000	6

First-time buyers

Unlike SDLT and LBTT, LTT does not provide any relief for first-time homebuyers in Wales. However, LTT is payable from a higher threshold than SDLT and LBTT, and the Welsh government anticipates that around 80% of first-time homebuyers will pay no tax.

Trusted advice, *imaginative solutions.*

It's the old adage that all accountants are the same, but ask yourself this; what kind of service would most add value to your personal or business position? In our opinion, the quality of advice and service is what separates a good accountant from a great one. This is where Rouse Partners can make a difference for you.

Our award-winning team make it their business to get to know you and your specific needs. Whether your goal is to grow your business, increase your personal wealth or improve your work-life balance, by understanding your challenges, we will address them together.

We also know how important it is for you to have a team that you can rely on for timely advice and reassurance. At Rouse, our people are our most important asset and we will select team members who offer an optimum mix of experience, specialism and knowhow. From your Partner, to your Tax Advisor, each team member will be accessible to you or your team and be proactive in seeking solutions.

At the heart of our way of working is a determination to think differently, to challenge the 'status quo' and to ask 'what if?'. Whether you are facing a complex tax, accounting or management situation, we are ready to find a solution.

Contact us today to discuss how we can support your personal or business tax needs:

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