

These notes refer to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (c.1) which received Royal Assent on 24 May 2017

LAND TRANSACTION TAX AND ANTI-AVOIDANCE OF DEVOLVED TAXES (WALES) ACT 2017

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 8 – Interpretation and Final Provisions

Schedule 18 - Charities relief

Withdrawal of partial relief

394. **Paragraph 7** of the Schedule provides for the withdrawal of partial relief where charities relief is provided under paragraph 6 but a disqualifying event occurs. The disqualifying event must occur before the end of 3 years from the effective date of the transaction or in pursuance of, or in connection with, arrangements that were made before the end of that 3 year period. In addition, at the time of the disqualifying event, the charity (“C”) must hold a chargeable interest in, or an interest derived from, the subject-matter acquired under the relevant transaction.
395. Sub-paragraph (5) provides that the amount of tax chargeable is the amount of relief given under paragraph 6, or an appropriate proportion of that relief. The proportion of the relief is calculated by sub-paragraph (7) or (8); the precise calculation charged will depend on whether P1 or P2 was the lower amount in the calculation under paragraph 6.
396. Sub-paragraph (9) provides that in determining the appropriate proportions, account must be taken of what C acquired and what it held at the time of the disqualifying event, and the extent to which what is held by C at the time of the disqualifying event is used or held for non-charitable purposes.