

SCHEDULE 6

LEASES

PART 5

CALCULATION OF TAX CHARGEABLE

No tax chargeable in respect of rent: residential leases

- 27 (1) In the case of an acquisition of a residential lease, no tax is chargeable in respect of so much of the chargeable consideration as consists of rent.
- (2) The Welsh Ministers may by regulations amend this paragraph so as to substitute sub-paragraph (1) with a calculation of tax chargeable in respect of so much of the chargeable consideration as consists of rent in the case of an acquisition of a residential lease.
- (3) Regulations under sub-paragraph (2)—
- (a) must specify the method of calculation (including the method applicable to a case where the acquisition is one of a number of linked transactions each of which being the acquisition of a residential lease), and
 - (b) may make such other supplemental, incidental or consequential modifications of any enactment (including this Act) as the Welsh Ministers consider necessary or expedient.
- (4) If regulations are made under sub-paragraph (2), the Welsh Ministers must by regulations specify the tax bands and percentage tax rates for each band applicable to the chargeable consideration which consists of rent.
- (5) Regulations under sub-paragraph (4) must specify—
- (a) a tax band for which the applicable tax rate is 0% (“the RL zero rate band”),
 - (b) two or more tax bands above the RL zero rate band,
 - (c) the tax rate for each band above the RL zero rate band so that the rate for each band is higher than the rate for the band below it, and
 - (d) a date on which the tax bands and tax rates apply in relation to transactions with an effective date on or after that date.
- (6) Regulations under sub-paragraph (4) may specify—
- (a) different tax bands and tax rates in respect of different categories of acquisition of a residential lease;
 - (b) different dates under sub-paragraph (5)(d) in respect of each specified tax band or tax rate.