



Finance Act 2003

2003 CHAPTER 14

PART 4

STAMP DUTY LAND TAX

Interpretation etc

116 Meaning of “residential property”

(1) In this Part “residential property” means—

- (a) a building that is used or suitable for use as a dwelling, or is in the process of being constructed or adapted for such use, and
- (b) land that is or forms part of the garden or grounds of a building within paragraph (a) (including any building or structure on such land), or
- (c) an interest in or right over land that subsists for the benefit of a building within paragraph (a) or of land within paragraph (b);

and “non-residential property” means any property that is not residential property.

This is subject to the rule in subsection (7) in the case of a transaction involving six or more dwellings.

(2) For the purposes of subsection (1) a building used for any of the following purposes is used as a dwelling—

- (a) residential accommodation for school pupils;
- (b) residential accommodation for students, other than accommodation falling within subsection (3)(b);
- (c) residential accommodation for members of the armed forces;
- (d) an institution that is the sole or main residence of at least 90% of its residents and does not fall within any of paragraphs (a) to (f) of subsection (3).

(3) For the purposes of subsection (1) a building used for any of the following purposes is not used as a dwelling—

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- (a) a home or other institution providing residential accommodation for children;
 - (b) a hall of residence for students in further or higher education;
 - (c) a home or other institution providing residential accommodation with personal care for persons in need of personal care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder;
 - (d) a hospital or hospice;
 - (e) a prison or similar establishment;
 - (f) a hotel or inn or similar establishment.
- (4) Where a building is used for a purpose specified in subsection (3), no account shall be taken for the purposes of subsection (1)(a) of its suitability for any other use.
- (5) Where a building that is not in use is suitable for use for at least one of the purposes specified in subsection (2) and at least one of those specified in subsection (3)—
- (a) if there is one such use for which it is most suitable, or if the uses for which it is most suitable are all specified in the same sub-paragraph, no account shall be taken for the purposes of subsection (1)(a) of its suitability for any other use,
 - (b) otherwise, the building shall be treated for those purposes as suitable for use as a dwelling.
- (6) In this section “building” includes part of a building.
- (7) Where six or more separate dwellings are the subject of a single transaction involving the transfer of a major interest in, or the grant of a lease over, them, then, for the purposes of this Part as it applies in relation to that transaction, those dwellings are treated as not being residential property.
- (8) The Treasury may by order—
- (a) amend subsections (2) and (3) so as to change or clarify the cases where use of a building is, or is not to be, use of a building as a dwelling for the purposes of subsection (1);
 - (b) amend or repeal subsection (7) and the reference to that subsection in subsection (1).

Any such order may contain such incidental, supplementary, consequential or transitional provision as appears to the Treasury to be necessary or expedient.

Modifications etc. (not altering text)

- C1** Pt. 4 modified (17.7.2013) by [Finance Act 2013 \(c. 29\), s. 194\(8\)-\(12\)](#)
- C2** S. 116(8)(a) modified (17.7.2013) by [Finance Act 2013 \(c. 29\), s. 114\(2\)](#)

Commencement Information

- II** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

117 Meaning of “major interest” in land

- (1) References in this Part to a “major interest” in land shall be construed as follows.
- (2) In relation to land in England ^{F1}... , the references are to—
- (a) an estate in fee simple absolute, or

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(b) a term of years absolute,
whether subsisting at law or in equity.

^{F2}(3)

(4) In relation to land in Northern Ireland, the references are to—
(a) any freehold estate, or
(b) any leasehold estate,
whether subsisting at law or in equity.

Textual Amendments

- F1** Words in s. 117(2) omitted (1.4.2018 with effect in accordance with s. 16(4)(5) of the amending Act) by virtue of [Wales Act 2014 \(c. 29\)](#), s. 29(2)(b)(3), [Sch. 2 para. 8](#); S.I. 2018/214, art. 2(a)
- F2** S. 117(3) omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\)](#), s. 44(2)(b)(3)(b), [Sch. 3 para. 20](#) (with s. 29(5)(6)); S.I. 2015/637, art. 2

Commencement Information

- I2** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

118 Meaning of “market value”

[^{F3}(1)] For the purposes of this Part “market value” shall be determined as for the purposes of the Taxation of Chargeable Gains Act 1992 (c. 12) (see sections 272 to 274 of that Act).

[^{F4}(2) This is subject to paragraphs 7(7) and 17(7) of Schedule 7A (which define “market value” for certain purposes of PAIF seeding relief and COACS seeding relief).]

Textual Amendments

- F3** S. 118 renumbered as s. 118(1) (with effect in accordance with Sch. 16 para. 15 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 16 para. 10\(a\)](#)
- F4** S. 118(2) inserted (with effect in accordance with Sch. 16 para. 15 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 16 para. 10\(b\)](#)

Commencement Information

- I3** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

119 Meaning of “effective date” of a transaction

(1) Except as otherwise provided, the effective date of a land transaction for the purposes of this Part is

- [^{F5}(a) the date of completion, or
(b) such alternative date as the Commissioners for Her Majesty's Revenue and Customs may prescribe by regulations.]

(2) Other provision as to the effective date of certain descriptions of land transaction is made by—

section 44(4) (contract and conveyance: contract substantially performed without having been completed), ^{F6}...

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[^{F7}section 44A(3) (contract providing for conveyance to third party),
section 45A(8) (contract providing for conveyance to third party: effect of transfer of rights),]
section 46(3) (options and rights of pre-emption).
[^{F8}paragraph 5 of Schedule 2A,]
[^{F9}paragraph 3(4) of Schedule 17A (leases that continue after a fixed term),]
[^{F10}paragraph 12A(2) of Schedule 17A (agreement for lease followed by substantial performance),
paragraph 12B(3) of that Schedule (assignment of agreement for lease occurring after agreement substantially performed), and
^{F11} ...]

Textual Amendments

- F5** Words in s. 119(1) substituted (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 47\(3\)](#)
- F6** Word in s. 119(2) repealed (with effect in accordance with Sch. 39 para. 13 of the amending Act) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 4\(2\)](#)
- F7** Words in s. 119(2) inserted (with effect in accordance with Sch. 39 para. 13 of the amending Act) by [Finance Act 2004 \(c. 12\), Sch. 39 para. 8\(a\)](#)
- F8** Words in s. 119(2) inserted (with effect in accordance with Sch. 39 para. 11 of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 39 para. 7](#)
- F9** Words in s. 119(2) inserted (with effect in accordance with Sch. 41 para. 8(2) of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 41 para. 5](#)
- F10** Words in s. 119(2) inserted (with effect in accordance with Sch. 39 para. 13 of the amending Act) by [Finance Act 2004 \(c. 12\), Sch. 39 para. 8\(b\)](#)
- F11** Words in s. 119(2) omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\), s. 44\(2\)\(b\)\(3\)\(b\), Sch. 3 para. 21](#) (with s. 29(5)(6)); [S.I. 2015/637](#), art. 2

Commencement Information

- I4** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

[^{F12}120 Further provisions relating to leases

Schedule 17A contains further provisions relating to leases.]

Textual Amendments

- F12** S. 120 substituted (with effect in accordance with Sch. 39 para. 26 of the amending Act) by [Finance Act 2004 \(c. 12\), Sch. 39 para. 22\(1\)](#) (which amending provision re-enacts, subject to certain changes, a corresponding amendment made by the now revoked [Stamp Duty and Stamp Duty Land Tax \(Variation of the Finance Act 2003\) \(No. 2\) Regulations 2003 \(S.I. 2003/2816\)](#), see Sch. 39 para. 14)

121 Minor definitions

In this Part—

^{F13}
^{F14}

“employee” includes an office-holder and related expressions have a corresponding meaning;

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[^{F15}“HMRC” means Her Majesty’s Revenue and Customs;]
“jointly entitled” means—
(a) in England ^{F16}... , beneficially entitled as joint tenants or tenants in common,
(b) ^{F17}.....
(c) in Northern Ireland, beneficially entitled as joint tenants, tenants in common or coparceners;
“land” includes—
(a) buildings and structures, and
(b) land covered by water;
“registered social landlord” means—
(a) in relation to England and Wales, a body registered as a social landlord in a register maintained under section 1(1) of the Housing Act 1996 (c. 52);
(b) in relation to Scotland, a body registered in the register maintained under [^{F18}section 20(1) of the Housing (Scotland) Act 2010 (asp 17)];
(c) in relation to Northern Ireland, a housing association registered in the register maintained under Article 14 of the Housing (Northern Ireland) Order 1992 (S.I. 1992/1725 (N.I. 15));
^{F19}.....
“statutory provision” means any provision made by or under an Act of Parliament, an Act of the Scottish Parliament or any Northern Ireland legislation;
^{F20}.....
“tax”, unless the context otherwise requires, means tax under this Part.
[^{F21}“tribunal” means the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal.]

Textual Amendments

- F13** Words in s. 121 omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of Scotland Act 2012 (c. 11), s. 44(2)(b)(3)(b), **Sch. 3 para. 22(a)** (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F14** Words in s. 121 omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of Scotland Act 2012 (c. 11), s. 44(2)(b)(3)(b), **Sch. 3 para. 22(b)** (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F15** Words in s. 121 inserted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 371(2)**
- F16** Words in s. 121 omitted (1.4.2018 with effect in accordance with s. 16(4)(5) of the amending Act) by virtue of Wales Act 2014 (c. 29), s. 29(2)(b)(3), **Sch. 2 para. 9**; S.I. 2018/214, art. 2(a)
- F17** Words in s. 121 omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of Scotland Act 2012 (c. 11), s. 44(2)(b)(3)(b), **Sch. 3 para. 22(c)** (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F18** Words in s. 121 substituted (1.4.2012) by The Housing (Scotland) Act 2010 (Consequential Provisions and Modifications) Order 2012 (S.I. 2012/700), art. 1(3), **Sch. para. 7(2)**
- F19** Words in s. 121 omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of Scotland Act 2012 (c. 11), s. 44(2)(b)(3)(b), **Sch. 3 para. 22(d)** (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F20** Words in s. 121 omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of Scotland Act 2012 (c. 11), s. 44(2)(b)(3)(b), **Sch. 3 para. 22(e)** (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F21** Words in s. 121 inserted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 371(3)**

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Commencement Information

I5 Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

122 Index of defined expressions

In this Part the expressions listed below are defined or otherwise explained by the provisions indicated—

acquisition relief	Schedule 7, paragraph 8(1)
^{F22}	^{F22}
.
bare trust	Schedule 16, paragraph 1(2)
the Board (in relation to the Inland Revenue)	section 42(3)
chargeable consideration	section 50 and Schedule 4
chargeable interest	section 48(1)
chargeable transaction	section 49
charities relief	Schedule 8, paragraph 1(1)
closure notice	Schedule 10, paragraph 23(1) (in relation to a land transaction return); ^{F23}
	...
[^{F24} COACS seeding relief	Schedule 7A, paragraph 10(1)]
[^{F24} co-ownership authorised contractual scheme	section 102A]
company	section 100 (except as otherwise expressly provided)
^{F25}	^{F25}
.
contingent (in relation to consideration)	section 51(3)
delivery (in relation to a land transaction return)	Schedule 10, paragraph 2(2)
discovery assessment	Schedule 10, paragraph 28(1)
effective date (in relation to a land transaction)	section 119
employee	section 121
exempt interest	section 48(2) to (5)
filing date (in relation to a land transaction return)	Schedule 10, paragraph 2(1)
implementation date	Schedule 19, paragraph 2(2)
the Inland Revenue	section 113

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jointly entitled	section 121
land	section 121
land transaction	section 43(1)
land transaction return	section 76(1)
lease (and related expressions)	[^{F26} Schedule 17A]
linked transactions	section 108
main subject-matter (in relation to a land transaction)	section 43(6)
major interest (in relation to land)	section 117
market value	section 118
[^{F27} non-resident transaction]	[^{F27} Schedule 9A, paragraph 2]
notice of enquiry	Schedule 10, paragraph 12(1) (in relation to a land transaction return); ^{F28}
	...
notifiable (in relation to a land transaction)	section 77 [^{F29} (see too sections 71A(7) and 72A(7))][^{F30} and paragraph 30 of Schedule 15]
[^{F24} operator (in relation to a co-ownership authorised contractual scheme)	section 102A]
[^{F24} PAIF seeding relief	Schedule 7A, paragraph 1(1)]
partnership (and related expressions)	Schedule 15, paragraphs 1 to 4
purchaser	section 43(4)
^{F31}	^{F31}
...	...
reconstruction relief	Schedule 7, paragraph 7(1)
registered social landlord	section 121
residential property	section 116
[^{F32} Revenue certificate	section 79(3)(a)]
Revenue determination	Schedule 10, paragraph 25(1)
self-assessment	section 76(3)(a)
^{F33}	^{F33}
...	...
settlement	Schedule 16, paragraph 1(1) [^{F34} (except as otherwise expressly provided)]
^{F35}	^{F35}
...	...
statutory provision	section 121

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subject-matter (in relation to a land transaction)	section 43(6)
substantial performance (in relation to a contract)	section 44(5) to (7)
^{F36}	^{F36}
...	...
tax	section 121
[^{F37} tribunal	section 121]
uncertain (in relation to consideration)	section 51(3)
unit holder	section 101(4)
unit trust scheme	section 101(4)
vendor	section 43(4) [^{F38} (see too [^{F39} section 45A(9) and paragraphs 8, 10 and 11 of Schedule 2A])]

Textual Amendments

- F22** Words in s. 122 omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\)](#), s. 44(2)(b)(3)(b), [Sch. 3 para. 23\(a\)](#) (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F23** Words in s. 122 omitted (with effect in accordance with s. 94(5) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 30 para. 5\(2\)](#)
- F24** Words in s. 122 inserted (with effect in accordance with Sch. 16 para. 15 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 16 para. 11](#)
- F25** Words in s. 122 omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\)](#), s. 44(2)(b)(3)(b), [Sch. 3 para. 23\(b\)](#) (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F26** Words in s. 122 substituted (with effect in accordance with Sch. 39 para. 26 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 39 para. 22\(7\)](#) (which amending provision re-enacts, subject to certain changes, a corresponding amendment made by the now revoked [Stamp Duty and Stamp Duty Land Tax \(Variation of the Finance Act 2003\) \(No. 2\) Regulations 2003 \(S.I. 2003/2816\)](#), see Sch. 39 para. 14)
- F27** Words in s. 122 inserted (with effect in accordance with Sch. 16 para. 6 of the amending Act) by [Finance Act 2021 \(c. 26\)](#), [Sch. 16 para. 4](#)
- F28** Words in s. 122 omitted (with effect in accordance with s. 94(5) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 30 para. 5\(3\)](#)
- F29** Words in s. 122 inserted (with effect in accordance with Sch. 8 para. 7 of the amending Act) by [Finance Act 2005 \(c. 7\)](#), [Sch. 8 para. 6](#)
- F30** Words in s. 122 inserted (with effect in accordance with s. 94(5) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 30 para. 5\(4\)](#)
- F31** Words in s. 122 omitted (with effect in accordance with s. 2(2) of the amending Act) by virtue of [Stamp Duty Land Tax Act 2015 \(c. 1\)](#), [Sch. para. 12](#) (with s. 2(3)-(6))
- F32** Words in s. 122 inserted (with effect in accordance with Sch. 39 para. 26 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 39 para. 25\(4\)](#) (which amending provision re-enacts, subject to certain changes, a corresponding amendment made by the now revoked [Stamp Duty and Stamp Duty Land Tax \(Variation of the Finance Act 2003\) \(No. 2\) Regulations 2003 \(S.I. 2003/2816\)](#), see Sch. 39 para. 14)
- F33** Words in s. 122 omitted (with effect in accordance with s. 94(5) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 30 para. 5\(5\)](#)

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- F34** Words in s. 122 inserted (with effect in accordance with Sch. 40 para. 8 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 40 para. 7](#)
- F35** Words in s. 122 omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\)](#), s. 44(2)(b)(3)(b), [Sch. 3 para. 23\(c\)](#) (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F36** Words in s. 122 omitted (with effect in accordance with s. 29(4) of the amending Act) by virtue of [Scotland Act 2012 \(c. 11\)](#), s. 44(2)(b)(3)(b), [Sch. 3 para. 23\(d\)](#) (with s. 29(5)(6)); S.I. 2015/637, art. 2
- F37** Words in s. 122 inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 372](#)
- F38** Words in s. 122 inserted (with effect in accordance with Sch. 39 para. 13(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 39 para. 5\(6\)](#)
- F39** Words in s. 122 substituted (with effect in accordance with [Sch. 39 para. 11](#) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 39 para. 8](#)

Commencement Information

- I6** Pt. 4 wholly in force at Royal Assent subject to Sch. 19, see s. 124, Sch. 19 para. 1(1)

Changes to legislation:

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Changes and effects yet to be applied to :

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 57(3) inserted by [2011 c. 11 Sch. 22 para. 4](#)
- s. 87(3)(a)(ia) inserted by [S.I. 2003/2760 Sch. para. 3\(4\)\(a\)](#) (This amendment not applied to [legislation.gov.uk](#). The affecting S.I. is revoked and superseded by [S.I. 2003/2816](#))
- Sch. 12 para. 3(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 32](#) (This effect was superseded by the repeal of Sch. 12 para. 3 by Finance Act 2008 (c. 9), s. 129(4), Sch. 43 para. 16)
- Sch. 12 para. 1A inserted by [2007 c. 15 Sch. 13 para. 147\(2\)](#) (The amending provision was repealed before coming into force.)
- Sch. 12 para. 1A omitted by [2008 c. 9 Sch. 43 para. 9](#) (The amending provision was repealed before coming into force.)