SCHEDULES

SCHEDULE 9

STAMP DUTY LAND TAX: RIGHT TO BUY, SHARED OWNERSHIP LEASES ETC

Shared ownership lease: election where staircasing allowed

4 (1) This paragraph applies where—

(a) a lease is granted by a qualifying body or in pursuance of the preserved right to buy,

(b) the conditions in sub-paragraph (2) below are met, and

(c) the purchaser elects for tax to be charged in accordance with this paragraph.

(2) The conditions are as follows—

(a) the lease must be of a dwelling;

(b) the lease must give the lessee or lessees exclusive use of the dwelling;

(c) the lease must provide that the lessee or lessees may, on the payment of a sum, require the terms of the lease to be altered so that the rent payable under it is reduced;

(d) the lease must be granted partly in consideration of rent and partly in consideration of a premium calculated by reference to—

(i) the premium obtainable on the open market for the grant of a lease containing the same terms as the lease but with the substitution of the minimum rent for the rent payable under the lease, or

(ii) a sum calculated by reference to that premium;

(e) the lease must contain a statement of the minimum rent and of—

(i) the premium obtainable on the open market, or

(ii) the sum calculated by reference to that premium,

by reference to which the premium is calculated.

(3) An election for tax to be charged in accordance with this paragraph must be included in the land transaction return made in respect of the grant of the lease, or in an amendment of that return, and is irrevocable, so that the return may not be amended so as to withdraw the election.

(4) Where this paragraph applies—

(a) the rent in consideration of which the lease is granted shall be taken to be the minimum rent stated in the lease in accordance with sub-paragraph (2)(e), and

(b) the chargeable consideration for the grant other than rent shall be taken to be the amount stated in the lease in accordance with sub-paragraph (2)(e)(i) or (ii).

(5) In this paragraph the "minimum rent" means the lowest rent which could become payable under the lease if it were altered as mentioned in sub-paragraph (2)(c) at the date when the lease is granted.