
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006,
Cross Heading: Backdated lease granted to tenant holding over. (See end of Document for details)

SCHEDULES

SCHEDULE 25

STAMP DUTY LAND TAX: AMENDMENTS OF SCHEDULE 17A TO FA 2003

Backdated lease granted to tenant holding over

- 3 (1) After paragraph 9 insert—

“Backdated lease granted to tenant holding over

- 9A (1) This paragraph applies where—
- (a) the tenant under a lease continues in occupation after the date on which, under its terms, the lease terminates (“the contractual termination date”),
 - (b) he is granted a new lease of the same or substantially the same premises, and
 - (c) the term of the new lease is expressed to begin on or immediately after the contractual termination date.
- (2) The term of the new lease is treated for the purposes of this Part as beginning on the date on which it is expressed to begin.
- (3) The rent payable under the new lease in respect of any period falling—
- (a) after the contractual termination date, and
 - (b) before the date on which the new lease is granted,
- is treated for the purposes of this Part as reduced by the amount of taxable rent that is payable in respect of that period otherwise than under the new lease.
- (4) For the purposes of sub-paragraph (3) rent is “taxable” if or to the extent that it is taken into account in determining liability to stamp duty land tax.
- (5) Sub-paragraph (3) does not have effect so as to require the rent payable under the new lease to be treated as a negative amount.”
- (2) In paragraph 7(3), for the words after “but disregard” substitute “paragraphs 9(2) and 9A(3) (deemed reduction of rent, where further lease granted, for period during which rents overlap) “.

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