

FINANCE ACT 2010

EXPLANATORY NOTES

INTRODUCTION

Section 6: Relief for First-Time Buyers

Background Note

11. SDLT is a tax on land transactions. Purchasers are charged a percentage of the consideration they pay for an interest in land. Currently, the percentage can be 0, 1, 3 or 4 per cent depending on the amount of consideration.
12. At present, the 0 per cent band applies to purchases of residential property at up to £125,000. The effect of this relief is to extend the 0 per cent band to purchases of residential property at up to £250,000 where the purchaser or purchasers are first-time buyers.
13. The relief is time-limited to two years.