

**EXPLANATORY MEMORANDUM TO THE
STAMP DUTY LAND TAX (LAND TRANSACTION RETURNS)
REGULATIONS 2004**

2004 No. 3208

1. This explanatory memorandum has been prepared by H.M. Treasury and is laid before the House of Commons by Command of Her Majesty.

This memorandum contains information for the Select Committee on Statutory Instruments.

2. **Description**

- 2.1 This instrument provides for stamp duty land tax returns to be signed by practitioners on behalf of purchasers, to enable the launch of electronic versions of the return incorporating 2-d barcode technology. There are other minor amendments to the provisions governing returns and enquiries into returns.

3. **Matters of special interest to the Select Committee on Statutory Instruments**

- 3.1 This instrument breaches the 21-day rule. This is in order to meet a release date of 6th December for the online and CD-ROM versions of the Stamp Duty Land Tax return form. Timely release will provide customers with further options for completing returns electronically, which will help speed the conveyancing process and reduce costs for practitioners and the Inland Revenue. The effect of the instrument is therefore to extend customers' options: they will still have the option of completing returns in the previous manner.

4. **Legislative Background**

- 4.1 This instrument amends Schedule 10 to the Finance Act 2003 (Stamp Duty Land Tax: Returns, Enquiries, Assessments and Appeals) which came into force when Stamp Duty Land Tax was first introduced on 1st December 2003.

5. **Extent**

- 5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

The Financial Secretary to the Treasury has made the following statement regarding Human Rights:

In my view the provisions of the Stamp Duty Land Tax (Land Transaction Returns) Regulations 2004 are compatible with the Convention rights.

7. Policy background

7.1 These regulations contribute to the Inland Revenue policy of making returns available via a variety of channels. They enable barcode representation of return entries to facilitate electronic processing, as a first step towards full electronic filing. As part of this process, they provide for practitioners to sign and submit returns on behalf of clients. This alternative approach has been developed in consultation with the legal profession. This is a deregulatory measure designed to reduce processing costs and to improve the service provided to practitioners and purchasers.

7.2 We have taken the opportunity to make minor changes in the regulations to the provisions governing returns and enquiries:

- To permit the Official Solicitor (an officer of the Court) to sign returns on behalf of persons under a disability where he is acting on their behalf
- To give the Inland Revenue adequate powers to enquire into a transaction where an initial return is followed by a further return (this can happen, for example, where a relief is claimed on the original return so that no tax is payable, but that relief is later clawed back)
- To give taxpayers a right of appeal when the Inland Revenue make a determination of the amount of tax they should pay; the Inland Revenue make determinations when taxpayers have failed to submit a return.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

9. Contact

Catherine Dampier at the Inland Revenue Tel: 020 7438 8212 or e-mail: Catherine.Dampier@ir.gsi.gov.uk can answer any queries regarding the instrument.