

These notes refer to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (c.1) which received Royal Assent on 24 May 2017

LAND TRANSACTION TAX AND ANTI-AVOIDANCE OF DEVOLVED TAXES (WALES) ACT 2017

EXPLANATORY NOTES

BACKGROUND TO THE ACT

4. The Wales Act 2014 provides for the disapplication of the UK Stamp Duty Land Tax (SDLT) in Wales, and confers powers on the National Assembly for Wales to replace it with a Welsh tax on transactions involving interests in land. This Act provides for the Land Transaction Tax (LTT) to replace SDLT in Wales from April 2018. The Tax Collection and Management (Wales) Act 2016 (TCMA) was the first piece of tax legislation passed by the National Assembly for Wales and set out the legal framework necessary for the devolved tax regime in Wales including establishment of the Welsh Revenue Authority (WRA), whose main function will be to collect and manage devolved Welsh taxes. The provisions of this Act are relevant to, and will need to be read alongside, the TCMA.
5. The SDLT legislation was first introduced in 2003 and since then has been amended and added to on a regular basis to take account of how the UK property market operates and as a result has been gradually transformed since being introduced. SDLT influences behaviour - affecting the nature and execution of the transactions to which it applies. It is important to ensure that stakeholders who have worked with the SDLT legislation can easily understand and operate the LTT regime as provided for by this Act. As such, many of the fundamental principles of SDLT and the procedural rules governing the range of transactions, and transaction structures, at the time they were dis-applied in Wales have been adopted in LTT.