

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

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 6 – Returns and Payments**

##### *Sections 47 - 52 - Adjustments*

64. [Section 47](#) provides for cases where a contingency ceases or the consideration is ascertained and the buyer must make a return. Where the consideration for a transaction is unascertained or contingent upon a future event happening or not happening, then the buyer must make a return before the end of 30 days beginning with the day after the day:
- an unascertained or uncertain amount becomes ascertained, or
  - the contingency happens or it becomes clear that it will not happen.
65. If the event means that the transaction becomes notifiable, additional tax is chargeable, or tax is now chargeable when none was previously chargeable, interest begins to run from the day after the end of 30 days beginning with the day after the effective date of the transaction.
66. [Section 48](#) provides the rules for cases where a contingency ceases or the consideration is ascertained and the buyer has overpaid tax. The buyer can make a claim to obtain a repayment of tax by amending their return (if within the time limits) or, if those time limits have expired, the buyer may make a claim to WRA for repayment either before the end of 4 years beginning with the day after the filing date for the tax return which relates to the overpayment of LTT or, if later, 12 months beginning with the event leading to the repayment arising. However, where the transaction is the grant or assignment of a lease, no claim is allowed if the repayment arises from the repayment of a deposit or loan that was treated as consideration, or any consideration refunded under arrangements made in connection with such assignment or grant of lease that are contingent on the ending or assignment of the lease or the grant of a chargeable interest out of the lease.
67. [Section 49](#) provides rules where a buyer must make a return where relief has been withdrawn. A number of reliefs may be withdrawn (for example group relief) if a future action or event occurs (known as a ‘disqualifying event’). Where there is a disqualifying event the buyer must make a further return before the end of 30 days beginning on the day after the day the disqualifying event and pay any additional tax within the same period. Interest generally runs on any tax payable under the further return from the day after the day that tax is payable. However, where relief under Schedule 11 (alternative finance investment bonds) is withdrawn, interest exceptionally runs from the day after

*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*

the end of 30 days beginning with the day after the effective date of the first land transaction.

68. [Sections 50](#) and [51](#) provide rules in relation to making returns where there are linked transactions. For linked transactions that have the same effective date, a single return may be made for all the transactions. Where a return needs to be made as a result of a later linked transaction so that an earlier transaction becomes notifiable, or tax or additional tax is payable on the earlier transaction, then a return in relation to that earlier transaction must be made before the end of 30 days beginning with the day after the effective date of the later transaction.
69. [Section 52](#) provides the Welsh Ministers with the power to amend the time limits in which a return must be made.