

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

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 8 – Interpretation and Final Provisions

Schedule 6 - Leases

Part 2 - Duration of lease and treatment of overlapping leases

Leases for an indefinite term

238. [Paragraph 5](#) contains the rules for the treatment of leases that are granted for an indefinite term. When initially granted the lease is to be treated as though it had been granted for a fixed term of a year, and a return is due accordingly 30 days later. If the tenant is still in occupation after the end of that year then they are to be treated as though the lease is for a fixed period of 2 years and so on.
239. If (more) tax becomes payable, a return must be made before the end of 30 days beginning with the day after the end of each deemed longer fixed period. However, if the lease for an indefinite period terminates in the first year then the buyer can, exceptionally, amend their return to reflect rent which was actually paid or payable for the period (sub-paragraph 5(6)). The return can only be amended within the normal time limit for making an amendment, i.e. within 12 months of the filing date of the original return.
240. Where the lease terminates in the second, or subsequent, year then the rules similar to those for leases that continue after a fixed term apply. A return will be required to be made before the end of 30 days beginning with the day after the date that the lease terminates (sub-paragraphs 5(2) and 5(5)).