

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

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 8 – Interpretation and Final Provisions

Schedule 5 - Higher rates residential property transactions

Part 2: Buyer is an individual: single dwelling transactions

Higher rates residential property transactions

194. [Part 2](#) sets out when a chargeable transaction undertaken by an individual and involving a single dwelling is a "higher rates residential property transaction". For a transaction to be a "higher rates residential property transaction" it must be within paragraph 3(2) and within paragraph 5.
195. [Paragraph 3](#) specifies that a transaction is a higher rates residential property transaction when the buyer is an individual; the main subject-matter of the transaction consists of a major interest in a dwelling; and the chargeable consideration for the transaction is £40,000 or more. However, a transaction which meets the criteria in this paragraph is not a higher rates residential property transaction, if at the end of the day of the effective date of the transaction, the dwelling acquired is subject to a lease (which is held by someone unconnected to the buyer and which has an unexpired term of more than 21 years) and the main subject matter of the transaction is reversionary on that lease, namely that the interest acquired by the buyer will be held subject to that lease. Further exceptions to what comprises a higher rates residential property transaction are listed at paragraph 3(5), namely the "interest in same dwelling exception" and the "replacement of main residence exception" which are set out in paragraphs 7 and 8 of the schedule respectively.
196. [Paragraph 4](#) specifies that "intermediate transactions" (set out in paragraph 9) are also higher rates residential property transactions.