

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

Replacement of main residence: transactions during interim period

203. **Paragraph 9** sets out the rules for “intermediate transactions”. These are transactions involving the acquisition of a dwelling which takes place during the “interim period”. The interim period is, broadly, the period between a buyer selling their only or main residence and replacing their previous only or main residence. The rules provide that any intermediate transactions that occur between the buyer selling their former main residence and acquiring their new main residence are higher rates residential property transactions. Where the intermediate transaction was not liable to be taxed as a higher rates residential property transaction because the buyer did not own any other residential property, but subsequently acquires a second residential property to which conditions relating to replacement of main residence apply as set out in the respective legislation governing these transactions in other parts of the UK, then the intermediate transaction undertaken in Wales will need to be re-assessed to determine if that intermediate transaction is now liable to be taxed as a higher rates residential property transaction. Where the intermediate transaction is a higher rates property transaction as a result of these rules, then the buyer must submit a return (see paragraph 24) to WRA for that transaction. This return must include a self-assessment and be submitted before the end of 30 days beginning with the day after the interim period ending.