

# 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 5 - Supplementary provisions**

#### **Further provision in connection with replacement of main residence exception**

211. **Paragraph 23** makes further provision in respect of the rules on “replacement of main residence exception”. The higher rates will not normally apply to the purchase of a residential property where it is intended to replace the buyer’s or buyers’ only or main residence provided the purchase of the new residence and disposal of the previous main residence occurs within a 36 month period. Where a return has been submitted for the replacement of the main residence and the buyer has paid the LTT applicable to higher rates residential property transactions but has subsequently disposed of the previous main residence within the timescales allowed, the buyer may claim a repayment of the amount of tax overpaid from WRA. They can do this by either making an amendment to their return (subject to meeting the timescales allowed for making an amendment to the return in accordance with the conditions set out in section 41 of TCMA); or where they are unable to amend the return, the buyer can make a claim for repayment of the overpaid tax (see chapter 7, part 3 of TCMA).
212. A special rule at paragraph 23(4) allows a buyer who is replacing their main residence to submit the return in respect of the purchase of the new main residence as though it had never fallen into the category of a higher rates residential property transaction. The buyer is able to do this provided that the sale of the previous main residence has occurred within the 30 day period for submitting a return to WRA in relation to the purchase of the new dwelling and a return has not already been submitted in respect of that new main residence.