

*Changes to legislation:* There are currently no known outstanding effects for the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, Cross Heading: Buyer has a major interest in other dwelling. (See end of Document for details)

## SCHEDULE 5

### HIGHER RATES RESIDENTIAL PROPERTY TRANSACTIONS

#### Modifications etc. (not altering text)

- C1** Sch. 5 applied (with modifications) (1.4.2018) by [The Land Transaction Tax \(Transitional Provisions\) \(Wales\) Regulations 2018 \(S.I. 2018/126\)](#), regs. 1(2), **12**

### PART 3

#### BUYER IS AN INDIVIDUAL: MULTIPLE DWELLING TRANSACTIONS

*Buyer has a major interest in other dwelling*

- 15 (1) This paragraph applies if—
- (a) only one of the purchased dwellings is a qualifying dwelling, and
  - (b) at the end of the day that is the effective date of the transaction—
    - (i) the buyer has a major interest in a dwelling other than one of the purchased dwellings, and
    - (ii) that interest has a market value of £40,000 or more.
- (2) But this paragraph does not apply if the interest described in sub-paragraph (1)(b) is reversionary on a lease which—
- (a) is not held by a person connected with the buyer, and
  - (b) has an unexpired term of more than 21 years.
- (3) Where the buyer is jointly entitled with one or more persons to the major interest referred to in sub-paragraph (1)(b)(i), the reference in sub-paragraph (1)(b)(ii) to the market value of the interest is to the market value of the buyer's beneficial share in the interest as determined in accordance with sub-paragraph (4) or (5).
- (4) Where the buyer is beneficially entitled as a tenant in common, the market value of the buyer's beneficial share is equal to—

$$MV \times PI$$

Figure 6 where—

MV is the market value of the major interest, and

PI is—

- (a) the percentage of the interest to which the buyer is entitled, or
- (b) where—
  - (i) the buyer and the buyer's spouse or civil partner are living together on the effective date of the transaction (for the meaning of “living together”, see paragraph 25(3)), and
  - (ii) taken together the buyer and the buyer's spouse or civil partner are entitled as tenants in common,

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the percentage of the interest to which the buyer and the buyer's spouse or civil partner are so entitled.

- (5) Where the buyer is beneficially entitled as a joint tenant, the market value of the buyer's beneficial share is equal to—

$$\frac{MV}{JT}$$

Figure 7 where—

MV is the market value of the major interest, and

JT is the number of joint tenants entitled to the interest.

- (6) For the purpose of sub-paragraph (5), the buyer and the buyer's spouse or civil partner are to be treated as one joint tenant if—
- (a) they are living together on the effective date of the transaction (for the meaning of “living together”, see paragraph 25(3)), and
  - (b) they are beneficially entitled as joint tenants to the interest.
- (7) This paragraph applies subject to the exceptions provided for in—
- (a) paragraph 16 (interest in same main residence exception), and
  - (b) paragraph 17 (replacement of main residence exception).

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**Commencement Information**

**II** Sch. 5 para. 15 in force at 1.4.2018 by S.I. 2018/34, art. 3

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