

Changes to legislation: There are currently no known outstanding effects for the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, PART 9. (See end of Document for details)

SCHEDULE 7

PARTNERSHIPS

PART 9

APPLICATION OF EXEMPTIONS, RELIEFS, PROVISIONS OF TCMA AND NOTIFICATION PROVISIONS

Introduction

- 38 In this Part of this Schedule—
- (a) paragraph 39 makes provision about the application of exemptions and reliefs to transactions to which this Schedule applies;
 - (b) paragraphs 40 and 41 make provision about the application of group relief to certain transactions mentioned in Part 4 of this Schedule;
 - (c) paragraph 42 makes provision about the application of charities relief to certain transfers of interest in a partnership;
 - (d) paragraph 43 makes provision about the application of certain provisions of TCMA to partnerships;
 - (e) paragraph 44 makes provision about the notification of certain transfers of interest in a partnership.

Commencement Information

11 [Sch. 7 para. 38](#) in force at 1.4.2018 by [S.I. 2018/34](#), [art. 3](#)

Application of exemptions and reliefs

- 39 (1) Paragraph 1 of Schedule 3 (exemption of transactions for which there is no chargeable consideration) does not apply to transactions to which paragraph 13, 18, 21 or 34 applies.
- (2) But (subject to paragraphs 40 and 42) this Schedule has effect subject to any other provision affording exemption or relief from tax.

Commencement Information

12 [Sch. 7 para. 39](#) in force at 1.4.2018 by [S.I. 2018/34](#), [art. 3](#)

Application of group relief

- 40 (1) Schedule 16 (group relief) applies to—
- (a) a transaction to which paragraph 13 applies, and
 - (b) a transaction that is a chargeable transaction by virtue of paragraph 18, with the following modifications.
- (2) Paragraph 8 has effect as if—

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- (a) in sub-paragraph (2)(a), for “the buyer” there were substituted “ a partner who was a partner at the effective date of the relieved transaction (“the relevant partner”) ”;
 - (b) for sub-paragraph (2)(b) there were substituted—
 - “(b) at the time the relevant partner ceases to be a member of the same group as the seller (“the relevant time”), a chargeable interest is held by or on behalf of the members of the partnership and that chargeable interest—
 - (i) was acquired by or on behalf of the partnership under the relieved transaction, or
 - (ii) is derived from a chargeable interest so acquired, and has not subsequently been acquired at market value under a chargeable transaction for which group relief was available but was not claimed.”;
 - (c) in sub-paragraph (4), for the words from “the transferee company” to the end there were substituted “ or on behalf of the partnership and to the proportion in which the relevant partner is entitled at the relevant time to share in the income profits of the partnership ”;
 - (d) in sub-paragraph (5), the definition of “relevant associated company” were omitted.
- (3) Paragraphs 9 to 14 have effect as if for “the buyer” (each time it occurs) there were substituted “ the relevant partner ”.

Commencement Information

I3 [Sch. 7 para. 40](#) in force at 1.4.2018 by [S.I. 2018/34](#), [art. 3](#)

Sum of the lower portions: connected company

- 41 (1) This paragraph applies where in calculating the sum of the lower proportions in relation to a transaction (in accordance with paragraph 14)—
- (a) a company (“the connected company”) would have been a corresponding partner of a relevant owner (“the original owner”) but for the fact that, by virtue of paragraph 16(1)(b), Step 2 includes connected persons only if they are individuals, and
 - (b) the connected company and the original owner are members of the same group.
- (2) The charge in respect of the transaction is to be reduced to the amount that would have been payable had the connected company been a corresponding partner of the original owner for the purposes of calculating the sum of the lower proportions.
- (3) The provisions of Schedule 16 apply to relief under sub-paragraph (2) as to group relief under paragraph 2(1) of that Schedule, but—
- (a) as if paragraph 4(3)(a) were omitted,
 - (b) as if in paragraph 8(2)(a) for “the buyer” there were substituted “ a partner who was, at the effective date of the transaction, a partner and a member of the same group as the transferor (“the relevant partner”) ”, and
 - (c) with the other modifications specified in paragraph 40.

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Commencement Information

I4 Sch. 7 para. 41 in force at 1.4.2018 by S.I. 2018/34, art. 3

Application of charities relief

- 42 (1) Schedule 18 (charities relief) applies to the transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 with the following modifications.
- (2) Paragraph 1(b) has effect as if for ““a buyer in a land transaction”” there were substituted “ a transferee under a transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 of Schedule 7, ”.
- (3) Paragraph 2 has effect as if—
- (a) in sub-paragraph (1), for ““a buyer in a land transaction”” there were substituted “ a transferee under a transfer of an interest in a partnership by virtue of paragraph 18 or 34 of Schedule 7 ”;
 - (b) in sub-paragraph (1)(a), for ““if C intends to hold the subject-matter of the transaction”” there were substituted “ if every chargeable interest held as partnership property immediately after the transfer is held ”;
 - (c) sub-paragraph (1)(b) were omitted;
 - (d) in sub-paragraph (2), for ““C holds the subject-matter of the transaction”” there were substituted “ a chargeable interest held as partnership property is held ”;
 - (e) after sub-paragraph (2) there were inserted—
 - “(2A) There is a transfer of an interest in a partnership for the purposes of this Schedule if there is such a transfer for the purposes of Schedule 7 (see paragraph 48 of that Schedule).
 - (2B) Paragraph 45(1) of Schedule 7 (meaning of references to partnership property) applies for the purposes of this Schedule as it applies for the purposes of that Schedule.”;
 - (f) in sub-paragraph (4), for ““a buyer in a land transaction”” there were substituted “ a transferee under a transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 of Schedule 7 ”;
 - (g) in sub-paragraph (4)(b), for ““the subject-matter of the transaction”” there were substituted “ any chargeable interest held as partnership property immediately after the transaction ”.
- (4) Paragraph 3 has effect as if—
- (a) for ““a land transaction”” there were substituted “ a transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 of Schedule 7 ”;
 - (b) for ““the buyer”” there were substituted “ the transferee ”.
- (5) Paragraph 4 has effect as if—
- (a) in sub-paragraph (1)(a), for ““a land transaction”” were substituted “ a transfer of an interest in a partnership that is a chargeable transaction by virtue of paragraph 18 or 34 of Schedule 7 ”;
 - (b) for sub-paragraph (4) there were substituted—

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- “(4) At the time of the disqualifying event the partnership property includes a chargeable interest—
- (a) that was held as partnership property immediately after the relieved transaction, or
 - (b) that is derived from an interest held as partnership property at that time.”;
- (c) for sub-paragraph (6) there were substituted—
- “(6) An “appropriate proportion” means an appropriate proportion having regard to—
- (a) the chargeable interests held as partnership property immediately after the relieved transaction and the chargeable interests held as partnership property at the time of the disqualifying event, and
 - (b) the extent to which any chargeable interest held as partnership property at that time becomes used or held for purposes other than qualifying charitable purposes.”

Commencement Information

I5 Sch. 7 para. 42 in force at 1.4.2018 by S.I. 2018/34, art. 3

Modifications of TCMA in relation to partnerships

- 43 (1) TCMA applies in relation to land transaction tax in respect of a land transaction entered into as buyers by or on behalf of the members of a partnership with the following modifications.
- (2) Section 58 (conditions for making WRA assessments) has effect as if subsection (2) (c) were omitted.
 - (3) Section 59 (time limits for WRA assessments) has effect as if in subsection (7) in the definition of “related person”, paragraph (b) were omitted.
 - (4) Section 79 (the claimant: partnerships) has effect as if there were substituted for it—

The claimant: partnerships in relation to land transactions

“79 **The claimant: partnerships in relation to land transactions**

- (1) This section is about the application of sections 63 and 63A in a case where—
 - (a) (in a case falling within section 63(1)(a)) the person paid the amount in question in the capacity of a partner in a partnership (within the meaning of paragraph 3 of Schedule 7 to LTTA),
 - (b) (in a case falling within section 63(1)(b)) the assessment was made on, or the determination related to the liability of, the person in such a capacity, or
 - (c) (in a case falling within section 63A(1)) the buyer in the land transaction is a person acting in such a capacity.

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- (2) In such a case, only a representative partner within the meaning of paragraph 10 of Schedule 7 to LTTA may make a claim under section 63 or 63A in respect of the amount in question.”
- (5) Section 80 (assessment of claimant in connection with claim) has effect as if in subsection (2), for ““any relevant person (as defined in section 79(3))”” there were substituted “ a responsible partner within the meaning of paragraph 9 of Schedule 7 to LTTA ”.
- (6) Section 91 (requiring information and documents in relation to a partnership) has effect as if—
- (a) for subsection (1) there were substituted—
- “(1) This section applies in relation to a partnership within the meaning of paragraph 3 of Schedule 7 to LTTA.”;
- (b) in subsection (2)—
- (i) in the opening words, for ““one of the partners”” (in both places) there were substituted “ one of the responsible partners ”;
- (ii) in paragraphs (a)(iii) and (c), for ““at least one of the partners”” there were substituted “ the representative partner, or where there is no representative partner, to at least one of the responsible partners ”;
- (c) after subsection (2) there were inserted—
- “(3) ““Responsible partner”” and ““representative partner”” have the meanings given by paragraphs 9 and 10 of Schedule 7 to LTTA.”
- (7) Section 100 (taxpayer notices following a tax return) has effect as if for subsection (6) there were substituted—
- “(6) Where any responsible partner in a partnership has made a tax return, this section has effect as if that return had been made by each of the responsible partners.
- (6A) ““Partnership”” and ““responsible partner”” have the meanings given by paragraphs 3 and 9 of Schedule 7 to LTTA.”

Commencement Information

I6 Sch. 7 para. 43 in force at 1.4.2018 by S.I. 2018/34, art. 3

Notification of transfer of partnership interest

- 44 (1) A transaction which is a chargeable transaction by virtue of paragraph 18 or 34 (transfer of partnership interest) is a notifiable transaction only if the chargeable consideration for the transaction exceeds the zero rate threshold.
- (2) The chargeable consideration for a transaction exceeds the zero rate threshold if it includes—
- (a) any amount in respect of which tax is chargeable at a rate of more than 0%, or
- (b) any amount in respect of which tax would be so chargeable but for a relief.

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I7 Sch. 7 para. 44 in force at 1.4.2018 by S.I. 2018/34, art. 3

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