



Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017

2017 anaw 1

PART 3

CALCULATION OF TAX AND RELIEFS

Calculation of tax

24 Regulations specifying tax bands and tax rates

- (1) The Welsh Ministers must by regulations specify the tax bands and percentage tax rates for each band applicable in the case of the following types of chargeable transactions—
 - (a) residential property transactions,
 - (b) higher rates residential property transactions, and
 - (c) non-residential property transactions.
- (2) In this Act, “tax band” means a lower and, if specified, upper amount of money from or, as the case may be, between which a specified percentage tax rate applies.
- (3) Regulations under subsection (1)(a) and (c) must specify, in the case of each type of transaction—
 - (a) a tax band for which the applicable tax rate is 0% (“the zero rate band”),
 - (b) two or more tax bands above the zero rate band,
 - (c) the tax rate for each band above the zero rate band so that the rate for each band is higher than the rate for the band below it, and
 - (d) a date on which the tax bands and tax rates apply in relation to transactions with an effective date on or after that date.
- (4) Regulations under subsection (1)(b) must specify—
 - (a) three or more tax bands,
 - (b) an applicable tax rate for each band which—

Changes to legislation: There are currently no known outstanding effects for the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017, Section 24. (See end of Document for details)

- (i) must, in respect of any higher rates residential property transaction, be higher than the highest rate that would be applicable to any amount within that band were that transaction a residential property transaction, and
 - (ii) except in the case of the lowest band, is higher than the rate applicable to the band below it, and
 - (c) a date on which the tax bands and tax rates apply in relation to transactions with an effective date on or after that date.
- (5) Regulations under subsection (1) may specify—
- (a) different tax bands and tax rates in respect of different categories of each type of chargeable transaction (including by reference to different descriptions of buyer);
 - (b) different dates under subsection (3)(d) or (4)(c) in respect of each specified tax band or tax rate.
- (6) A chargeable transaction is a residential property transaction if—
- (a) the main subject-matter of the transaction consists entirely of an interest in land that is residential property, or
 - (b) where the transaction is one of a number of linked transactions, the main subject-matter of each transaction consists entirely of such an interest.
- (7) But if Schedule 5 applies to a chargeable transaction it is a higher rates residential property transaction.
- (8) A chargeable transaction is a non-residential property transaction if—
- (a) the main subject-matter of the transaction consists of or includes an interest in land that is not residential property, or
 - (b) where the transaction is one of a number of linked transactions, the main subject-matter of any of the transactions consists of or includes such an interest.
- (9) Tax bands and tax rates specified in regulations under subsection (1) do not apply in relation to a chargeable transaction in so far as the chargeable consideration for the transaction is rent (for provision about the tax bands and tax rates applicable to chargeable consideration which is rent see paragraphs 27 and 28 of Schedule 6).
- (10) Schedule 5 makes provision about higher rates residential property transactions.
- (11) The Welsh Ministers may by regulations amend Schedule 5.

Commencement Information

- I1** S. 24(1)(11) in force at 18.10.2017 for specified purposes by S.I. 2017/953, **art. 2(b)**
- I2** S. 24(1)(11) in force at 1.4.2018 in so far as not already in force by S.I. 2018/34, **art. 3**
- I3** S. 24(2)-(10) in force at 1.4.2018 by S.I. 2018/34, **art. 3**

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