

---

**Status:** Point in time view as at 15/09/2016.

**Changes to legislation:** Finance Act 2003, PART 2 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

---

## SCHEDULES

### [F1]SCHEDULE 4ZA

#### STAMP DUTY LAND TAX: HIGHER RATES FOR ADDITIONAL DWELLINGS AND DWELLINGS PURCHASED BY COMPANIES

##### Textual Amendments

- F1** Sch. 4ZA inserted (with effect in accordance with s. 128(5)(6) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 128\(3\)](#) (with s. 128(9)(10))

### PART 2

#### MEANING OF “HIGHER RATES TRANSACTION”

##### *Meaning of “higher rates transaction” etc*

- 2 (1) This paragraph explains how to determine whether a chargeable transaction is a “higher rates transaction” for the purposes of paragraph 1.
- (2) In the case of a transaction where there is only one purchaser, determine whether the transaction falls within any of paragraphs 3 to 7; if it does fall within any of those paragraphs it is a “higher rates transaction” (otherwise it is not).
- (3) In the case of a transaction where there are two or more purchasers—
- take one of the purchasers and determine, having regard to that purchaser only, whether the transaction falls within any of paragraphs 3 to 7, and
  - do the same with each of the other purchasers.

If the transaction falls within any of those paragraphs when having regard to any one of the purchasers it is a “higher rates transaction” (otherwise it is not).

- (4) For the purposes of this Schedule any term of years absolute or leasehold estate is not a “major interest” if its term does not exceed 7 years on the date of its grant.

##### *Single dwelling transactions*

- 3 (1) A chargeable transaction falls within this paragraph if—
- the purchaser is an individual,
  - the main subject-matter of the transaction consists of a major interest in a single dwelling (“the purchased dwelling”), and
  - Conditions A to D are met.
- (2) Condition A is that the chargeable consideration for the transaction is £40,000 or more.

*Status: Point in time view as at 15/09/2016.*

*Changes to legislation: Finance Act 2003, PART 2 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (3) Condition B is that on the effective date of the transaction the purchased dwelling—
- (a) is not subject to a lease upon which the main subject-matter of the transaction is reversionary, or
  - (b) is subject to such a lease but the lease has an unexpired term of no more than 21 years.
- (4) Condition C is that at the end of the day that is the effective date of the transaction—
- (a) the purchaser has a major interest in a dwelling other than the purchased dwelling,
  - (b) that interest has a market value of £40,000 or more, and
  - (c) that interest is not reversionary on a lease which has an unexpired term of more than 21 years.
- (5) Condition D is that the purchased dwelling is not a replacement for the purchaser's only or main residence.
- (6) For the purposes of sub-paragraph (5) the purchased dwelling is a replacement for the purchaser's only or main residence if—
- (a) on the effective date of the transaction (“the transaction concerned”) the purchaser intends the purchased dwelling to be the purchaser's only or main residence,
  - (b) in another land transaction (“the previous transaction”) whose effective date was during the period of three years ending with the effective date of the transaction concerned, the purchaser or the purchaser's spouse or civil partner at the time disposed of a major interest in another dwelling (“the sold dwelling”),
  - (c) at any time during that period of three years the sold dwelling was the purchaser's only or main residence, and
  - (d) at no time during the period beginning with the effective date of the previous transaction and ending with the effective date of the transaction concerned has the purchaser or the purchaser's spouse or civil partner acquired a major interest in any other dwelling with the intention of it being the purchaser's only or main residence.
- (7) For the purposes of sub-paragraph (5) the purchased dwelling may become a replacement for the purchaser's only or main residence if—
- (a) on the effective date of the transaction (“the transaction concerned”) the purchaser intended the purchased dwelling to be the purchaser's only or main residence,
  - (b) in another land transaction whose effective date is during the period of three years beginning with the day after the effective date of the transaction concerned, the purchaser or the purchaser's spouse or civil partner disposes of a major interest in another dwelling (“the sold dwelling”), and
  - (c) at any time during the period of three years ending with the effective date of the transaction concerned the sold dwelling was the purchaser's only or main residence.
- 4 A chargeable transaction falls within this paragraph if—
- (a) the purchaser is not an individual,
  - (b) the main subject-matter of the transaction consists of a major interest in a single dwelling, and

---

*Status: Point in time view as at 15/09/2016.*

*Changes to legislation: Finance Act 2003, PART 2 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

---

- (c) Conditions A and B in paragraph 3 are met.

*Multiple dwelling transactions*

- 5 (1) A chargeable transaction falls within this paragraph if—
- (a) the purchaser is an individual,
  - (b) the main subject-matter of the transaction consists of a major interest in two or more dwellings (“the purchased dwellings”), and
  - (c) at least two of the purchased dwellings meet conditions A, B and C.
- (2) A purchased dwelling meets condition A if the amount of the chargeable consideration for the transaction which is attributable on a just and reasonable basis to the purchased dwelling is £40,000 or more.
- (3) A purchased dwelling meets condition B if on the effective date of the transaction the purchased dwelling—
- (a) is not subject to a lease upon which the main subject-matter of the transaction is reversionary, or
  - (b) is subject to such a lease but the lease has an unexpired term of no more than 21 years.
- (4) A purchased dwelling meets condition C if it is not subsidiary to any of the other purchased dwellings.
- (5) One of the purchased dwellings (“dwelling A”) is subsidiary to another of the purchased dwellings (“dwelling B”) if—
- (a) dwelling A is situated within the grounds of, or within the same building as, dwelling B, and
  - (b) the amount of the chargeable consideration for the transaction which is attributable on a just and reasonable basis to dwelling B is equal to, or greater than, two thirds of the amount of the chargeable consideration for the transaction which is attributable on a just and reasonable basis to the following combined—
    - (i) dwelling A,
    - (ii) dwelling B, and
    - (iii) each of the other purchased dwellings (if any) which are situated within the grounds of, or within the same building as, dwelling B.
- 6 (1) A chargeable transaction falls within this paragraph if—
- (a) the purchaser is an individual,
  - (b) the main subject-matter of the transaction consists of a major interest in two or more dwellings (“the purchased dwellings”),
  - (c) only one of the purchased dwellings meets conditions A, B and C,
  - (d) the purchased dwelling which meets those conditions is not a replacement for the purchaser's only or main residence, and
  - (e) at the end of the day that is the effective date of the transaction—
    - (i) the purchaser has a major interest in a dwelling other than one of the purchased dwellings,
    - (ii) that interest has a market value of £40,000 or more, and
    - (iii) that interest is not reversionary on a lease which has an unexpired term of more than 21 years.

---

**Status:** Point in time view as at 15/09/2016.

**Changes to legislation:** Finance Act 2003, PART 2 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

---

- (2) Sub-paragraphs (2) to (5) of paragraph 5 apply for the purposes of sub-paragraph (1)(c) of this paragraph as they apply for the purposes of sub-paragraph (1)(c) of that paragraph.
  - (3) Sub-paragraphs (6) and (7) of paragraph 3 apply for the purposes of sub-paragraph (1)(d) of this paragraph as they apply for the purposes of sub-paragraph (5) of that paragraph.
- 7
- (1) A chargeable transaction falls within this paragraph if—
    - (a) the purchaser is not an individual,
    - (b) the main subject-matter of the transaction consists of a major interest in two or more dwellings (“the purchased dwellings”), and
    - (c) at least one of the purchased dwellings meets conditions A and B.
  - (2) Sub-paragraphs (2) and (3) of paragraph 5 apply for the purposes of sub-paragraph (1)(c) of this paragraph as they apply for the purposes of sub-paragraph (1)(c) of that paragraph.]

**Status:**

Point in time view as at 15/09/2016.

**Changes to legislation:**

Finance Act 2003, PART 2 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.