

Status: Point in time view as at 17/07/2012.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Cross Heading: Higher rate of tax: exercise of collective rights by tenants of flats. (See end of Document for details)

SCHEDULES

SCHEDULE 35

STAMP DUTY LAND TAX: HIGHER RATE FOR CERTAIN TRANSACTIONS

Higher rate of tax: exercise of collective rights by tenants of flats

5 (1) Section 74 (exercise of collective rights by tenants of flats) is amended as follows.

(2) After subsection (1) insert—

“(1A) The rate of tax is determined as follows.

Step 1 Determine the fraction of the relevant consideration produced by dividing the total amount of that consideration by the number of qualifying flats contained in the premises.

Step 2 If the amount produced by step 1 is £2,000,000 or less, determine the rate of tax and the tax chargeable in accordance with subsections (2) and (3).

Step 3 If the amount produced by step 1 is more than £2,000,000 and the condition in paragraph 3(3) of Schedule 4A is not met with respect to the transaction, determine the rate of tax and the tax chargeable in accordance with subsections (2) and (3).

Step 4 If the amount produced by step 1 is more than £2,000,000 and the condition in paragraph 3(3) of Schedule 4A is met with respect to the transaction, subsections (2) and (3) do not apply, and the amount of tax chargeable in respect of the transaction is 15% of the chargeable consideration for the transaction.”

(3) For subsection (2) substitute—

“(2) The rate of tax is determined under section 55 by reference to the fraction of the relevant consideration calculated under step 1 of subsection (1A).”

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