



Finance Act 2016

2016 CHAPTER 24

PART 8

SDLT AND ATED

Annual tax on enveloped dwellings

135 ATED: properties occupied by certain employees etc

- (1) Part 3 of FA 2013 (annual tax on enveloped dwellings) is amended as follows.
- (2) Section 145 (occupation by certain employees or partners) is amended in accordance with subsections (3) to (5).
- (3) In subsection (1)—
 - (a) in paragraph (b), after “qualifying trade” insert “ or qualifying property rental business ”;
 - (b) in paragraph (d) for “trade” substitute “ qualifying trade or qualifying property rental business ”.
- (4) After subsection (4) insert—

“(5) For the meaning of “qualifying property rental business” see section 133(3).”
- (5) The heading of that section becomes “ **Occupation by employees or partners of a qualifying trade or property rental business** ”.
- (6) In section 146 (meaning of “qualifying employee” and “qualifying partner” in section 145)—
 - (a) in subsection (1), after “trade” insert “ or property rental business ”;
 - (b) in subsection (2)—
 - (i) in the words before paragraph (a), after “qualifying trade” insert “ or qualifying property rental business ”, and
 - (ii) in paragraph (a)(i), after “trade” insert “ or (as the case may be) property rental business ”.

Changes to legislation: Finance Act 2016, Section 135 is up to date with all changes known to be in force on or before 17 July 2023. 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) View outstanding changes

(7) After section 147 insert—

“147A Caretaker flat owned by management company

- (1) A day in a chargeable period is relivable in relation to a single-dwelling interest if the dwelling in question is a flat in relation to which the conditions in subsection (2) are met.
 - (2) The conditions are that on that day—
 - (a) a company (“the management company”) holds the single-dwelling interest for the purpose of making the flat available as caretaker accommodation,
 - (b) the flat is contained in premises which also contain two or more other flats,
 - (c) the tenants of at least two of the other flats in the premises are members of the management company,
 - (d) the management company owns the freehold of the premises, and
 - (e) the management company is not carrying on a trade or property rental business.
 - (3) For the purposes of subsection (2), the management company makes a flat available “as caretaker accommodation” if it makes it available to an individual for use as living accommodation in connection with the individual's employment as caretaker of the premises.
 - (4) In this section “premises” means premises constituting the whole or part of a building.”
- (8) In section 116 (dwelling in grounds of another dwelling), in the list in subsection (6)—
- (a) in the entry relating to section 145, for “certain employees or partners” substitute “ employees or partners of a qualifying trade or property rental business ”;
 - (b) at the appropriate place insert— “ section 147A (caretaker flat owned by management company); ”.
- (9) In section 117 (dwellings in the same building), in the list in subsection (5)—
- (a) in the entry relating to section 145, for “certain employees or partners” substitute “ employees or partners of a qualifying trade or property rental business ”;
 - (b) at the appropriate place insert— “ section 147A (caretaker flat owned by management company); ”.
- (10) In section 132 (effect of reliefs under sections 133 to 150), in the list in subsection (3) —
- (a) in the entry relating to section 145, for “certain employees or partners” substitute “ employees or partners of a qualifying trade or property rental business ”;
 - (b) at the appropriate place insert— “ section 147A (caretaker flat owned by management company); ”.

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- (11) In section 159A (relief declaration returns), in the table in subsection (9), in the entry relating to section 145, for “(dwellings used for trade purposes: occupation by certain employees or partners)” substitute “ or 147A (occupation by certain employees etc) ”.
- (12) The amendments made by this section have effect for chargeable periods beginning on or after 1 April 2016.

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)