



UK LOCATED RESIDENTIAL PROPERTY CHANGES TO SDLT

STAMP DUTY LAND TAX (SDLT)

Individuals

From 4 December 2014 the following rates of SDLT apply on the purchase of UK located residential property:

Properties costing	£0 - £125,000	0%
Properties costing	£125,001 - £250,000	2%
Properties costing	£250,001 - £925,000	5%
Properties costing	£925,001 - £1.5m	10%
Properties costing	more than £1.5m	12%

From 4 December 2014 SDLT will apply on a “slice” basis, therefore for example the SDLT charge on the acquisition of residential property costing £300,000 will be

First £125,000 at 0%	0
Next £125,000 at 2%	£2,500
Next £50,000 at 5%	<u>£2,500</u>
Total	<u>£5,000</u>

This contrasts with the position prior to 4 December when the charge would have been £300,000 at 3% = £9,000.

A different system, Land & Building Transaction Tax, will apply in Scotland from 1 April 2015. The rates will be:

£0 - £135,000	0%
£135,001 - £250,000	2%
£250,001 - £1M	10%
➤ £1M	12%

Different rates apply to non-residential property or mixed use properties.



Crowe Clark Whitehill LLC™

Companies and other Non-Natural persons (NNPs)

The new rates for individuals set out above also apply to companies purchasing UK located wholly residential property costing up to £500k. **However for companies purchasing residential property the rate of SDLT is 15% for properties costing more than £500k.**

Exemptions/Reliefs

The only exclusions or reliefs from the 15% rate of charge are if the NNP is carrying on a genuine commercial activity of property development or if it is an investment company renting UK located residential property to unconnected third parties.

For further information regarding IOM Companies owning UK residential property see our note "UK Residential Property in Isle of Man Companies"

If you would like to know more then please contact

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