

STAMP DUTY/ LAND AND BUILDINGS TRANSACTION TAX/ LAND TRANSACTION TAX Frequently Asked Questions

What is the stamp duty holiday?

- The threshold at which SDLT is payable in England and Northern Ireland has been temporarily increased so anyone completing on a main residence costing up to £500,000 will not pay any stamp duty land tax – hence the ‘stamp duty holiday’.
- For properties over £500,000, the tax will only apply on the property’s value above £500,000.
- If the property you are buying is worth over £500,000, you will need to look up exactly how much SDLT you will need to pay under the stamp duty holiday scheme dependent on the value of the property in question.

What about Scotland and Wales?

- In Scotland, the rates on Land and Buildings Transaction Tax are 2% on £145,001-£250,000, 5% on £250,001-£325,000, 10% on £325,001-£750,000, and 12% on any value above £750,000. Scottish landlords pay an extra 4% Land and Buildings Transaction Tax on top of standard rates.
- In Wales, the rates on Land Transaction Tax are 3.5% on £180,001-£250,000, 5% on £250,001- £400,000, 7.5% on £400,001-£750,000, 10% on £750,001-£1.5m, and 12% on any value above £1.5m. Welsh landlords pay an extra 3% Land Transaction Tax on top of standard rates.

Does the stamp duty holiday apply to second homes?

- Both those buying second homes, and those prospective landlords buying investment properties also qualify for the temporarily SDLT holiday under the Chancellor’s scheme.
- Whilst they do not have to pay SDLT on properties up to a value of £500,000, they do have to pay an extra 3% of stamp duty as previously charged under the rules before the introduction of the stamp duty holiday.

When does the stamp duty holiday end?

- The temporary increase to each of the tax thresholds are as follows:
- Stamp duty land tax (SDLT) threshold in England and Northern Ireland is set to finish on 31 March 2021.
- Land and Buildings Transaction Tax (LBTT) in Scotland is set to finish on 31 March 2021.
- Land Transaction Tax (LTT) in Wales is set to finish on 31 March 2021.

Will I complete on time?

- The unprecedented number of home moves scheduled to complete over the coming months has placed a huge strain on Mortgage Lenders, Local Authorities and Conveyancers, many of whom are still adapting to new Covid-19 secure ways of working.
- Consequently, home moves are taking many weeks longer than normal and, whilst we shall endeavour to meet your expectations, we must ask that you remain patient during this very busy time.
- Your property transaction cannot be guaranteed to complete prior to the end of the temporary changes to Stamp Duty Land Tax/Land and Buildings Transaction Tax/Land Transaction Tax. If completion does not take place before 31 March 2021, you may be liable to pay SDLT/LBTT/LTT.
- Please check with your solicitor to establish if this applies to you.

– At various stages throughout the process, we shall ask you to review, complete and/or sign various documents. Please respond to our requests as swiftly as possible in order that we can minimise delays and do our very best to get your transaction processed through to a completion within your desired timetable.

If I don't complete on time, how much stamp duty will I need to pay?

Once the stamp duty holiday ends on 31st March, rates are expected to return to how they were previously. That means the following rates will apply:

Stamp Duty Land Tax – England and Northern Ireland

Property or lease premium or transfer value	SDLT rate	Additional property
Up to £125,000	Zero	3%
The next £125,000 (the portion from £125,001 to £250,000)	2%	5%
The next £675,000 (the portion from £250,001 to £925,000)	5%	8%
The next £575,000 (the portion from £925,001 to £1.5 million)	10%	13%
The remaining amount (the portion above £1.5 million)	12%	15%

Land and Buildings Transaction Tax- Scotland

Property value	LBTT rate	Additional property
Up to £145,000	0%	4%
The next £105,000 (the portion from £145,001 to £250,000)	2%	6%
The next £75,000 (the portion from £250,001 to £325,000)	5%	9%
The next £425,000 (the portion from £325,001 to £750,000)	10%	14%
The remaining amount (the portion above £1.5)	12%	16%

Land Transaction Tax- Wales

Up to £180,000	0%	3%
The next £70,000 (the portion from £180,001 to £250,000)	3.5%	6.5%
The next £150,000 (the portion from £250,001 to £400,000)	5%	8%
The next £350,000 (the portion from £400,001 to £750,000)	7.5%	10.5%
The next £750,000 (the portion from £750,001 to £1.5m)	10%	13%
The remaining amount (the portion above £1.5m)	12%	15%

For further information, including all Terms and Conditions, please visit the Government website <https://www.gov.uk/stamp-duty-land-tax>