

## ECONOMIC STATEMENT 8TH JULY 2020

### SDLT: TEMPORARY REDUCED RATES

As announced in the Government's Economic Statement on 8th July 2020, reduced rates of Stamp Duty Land Tax (SDLT) will apply for residential properties purchased from 8th July 2020 until 31st March 2021 inclusive.

For purchases of residential property between 8th July 2020 and 31st March 2021, the nil rate band of residential SDLT has been increased from £125,000 to £500,000.

#### Residential Rates on purchases from 8th July 2020 to 31st March 2021

If you purchase a residential property between 8th July 2020 to 31st March 2021, you only start to pay SDLT on the amount that you pay for the property above £500,000. These rates apply whether you are buying your first home or have owned property before.

You can use the table to work out the SDLT due:

<b>Property or lease premium or transfer value</b>	<b>SDLT rate</b>
Up to £500,000	Zero
The next £425,000 (the portion from £500,001 to £925,000)	5%
The next £575,000 (the portion from £925,001 to £1.5 million)	10%
The remaining amount (the portion above £1.5 million)	12%

From 8th July 2020 to 31st March 2021 the special rules for first time buyers are replaced by the reduced rates set out above.

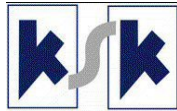
#### Higher rates for additional properties

The 3% higher rate for purchases of additional dwellings applies on top of revised standard rates above for the period 8th July 2020 to 31st March 2021.

The following rates apply:

<b>Property or lease premium or transfer value</b>	<b>SDLT rate</b>
Up to £500,000	3%
The next £425,000 (the portion from £500,001 to £925,000)	8%
The next £575,000 (the portion from £925,001 to £1.5 million)	13%
The remaining amount (the portion above £1.5 million)	15%

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## New leasehold sales and transfers

The nil rate band which applies to the 'net present value' of any rents payable for residential property is also increased to £500,000 from 8th July 2020 until 31st March 2021.

The following rates will apply:

<b>Net Present Value of any Rent</b>	<b>SDLT rate</b>
Up to £500,000	Zero
Over £500,000	1%

Companies as well as individuals buying residential property worth less than £500,000 will also benefit from these changes, as will companies that buy residential property of any value where they meet the relief conditions from the corporate 15% SDLT charge.

On the 1st April 2021 the reduced rates shown in the above tables will revert to the rates of SDLT that were in place prior to 8th July 2020.

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