

# Autumn Statement 2015

## Property Tax Measures

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The Chancellor's Autumn Statement confirmed that he has 'got it in' for landlords! As if the previous announcements from earlier in 2015 concerning the withdrawal of the Wear & Tear Allowance and restrictions on tax relief on mortgage interest payments weren't enough, he's now unexpectedly announced an SDLT 'surcharge' on buy to let properties. Osborne's grand theory is that by imposing tax hikes on landlords this will decrease demand for housing stock, combined with the proposed increase in supply of up to 400,000 homes will theoretically reduce house prices in the UK. We shall see how this grand scheme plays out. Other property related announcements in the Autumn Statement are as follows:

### STAMP DUTY LAND TAX (SDLT) ON ADDITIONAL PROPERTIES

From 1 April 2016, higher rates of SDLT will be charged on purchases of additional residential properties (costing more than £40,000), such as buy to let properties and second homes.

The higher rates will be an extra 3% above the current SDLT rates.

These higher rates will not apply to corporates making 'significant investments in residential property'. The Government will consult on the policy detail.

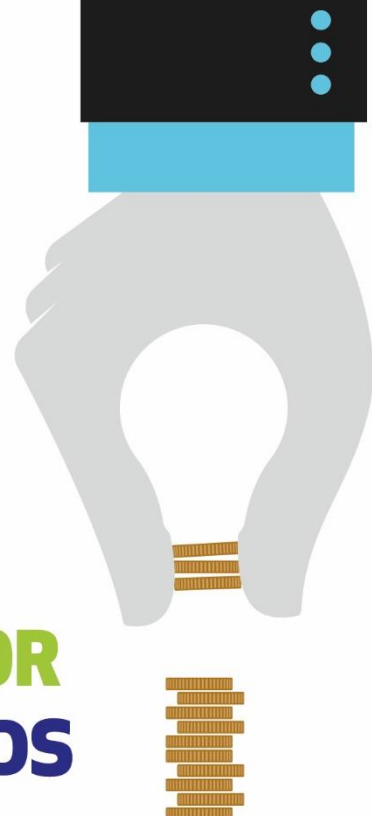
### SDLT FILING AND PAYMENT PROCESS

There will be a consultation on changes to the SDLT filing and payment process to

come into effect in 2017/18, including reduction in the filing and payment window from 30 days to 14 days.

### ANNUAL TAX ON ENVELOPED DWELLINGS (ATED) AND 15% RATE OF SDLT

The Government will extend, from April 2016 the reliefs available from ATED and the 15% higher rate of SDLT to equity release schemes (home reversion plans), property development activities and properties occupied by employees.



## SDLT: APPLICATION TO CERTAIN AUTHORISED PROPERTY FUNDS

The Government will introduce a seeding relief for Property Authorised Investment Funds (PAIFs) and Co-ownership Authorised Contractual Schemes (CoACSs) and make changes to the SDLT treatment of CoACSs investing in property so that SDLT does not arise on the transactions in units.

## CAPITAL GAINS TAX (CGT): PAYMENT WINDOW

From April 2019, a payment on account of any CGT due on the disposal of residential property will be required to be made within 30 days of the completion of the disposal, instead of the current regime which in some cases can mean CGT being paid up to 22 months after the disposal of the property. This will not affect gains on properties which are not liable for CGT due to Private Residence Relief

## CGT FOR NON-UK RESIDENTS DISPOSING OF UK RESIDENTIAL PROPERTY

With effect from 25 November 2015, the Government will amend the CGT computations required by non-residents on the disposal of UK residential property by removing (with retrospective effect from 6 April 2015) a double charge that occurs in some circumstances.

HMRC will be given powers to prescribe circumstances when a CGT return is not required by non-residents and will add CGT to the list of taxes that may be collected on a provisional basis.

## HENTONS ARE PROPERTY TAX SPECIALISTS AND CAN GUIDE YOU THROUGH THE PROPERTY TAX MAZE

### Contact

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