

Personal taxation

R03: 2017–18 edition

Web update 2: 1 December 2017

Please note the following update to your copy of the **R03** study text:

Stamp duty land tax (SDLT)

A new relief from stamp duty land tax (SDLT) will raise the price at which a property becomes liable for SDLT to £300,000 for first-time buyers. Those claiming the relief will pay no SDLT on the first £300,000 of the consideration. No relief will be available where the total consideration is more than £500,000. This relief applies to transactions with effect from 22 November 2017.

The operation of the higher rates of SDLT for additional properties is also amended to give relief for various people including: those increasing their share of their own home, families affected by a divorce court order, spouses buying property from their spouse and cases where properties are held in trust for children subject to Court of Protection orders. A new rule targeting the abuse of relief for the replacement of a purchaser's only or main residence, which requires the purchaser to dispose of the whole of their interest in their former main residence to someone who is not their spouse, has also been introduced. These changes took effect from 22 November 2017.

The previously announced reduction in the SDLT filing and payment window from 30 days to 14 days will apply from 1 March 2019.

The revised rates and thresholds for residential property purchases worth £500,000 or less by first-time buyers are as follows:

Portion of consideration	Standard rates	Rates for first-time buyers
Up to £125,000	0%	0%
Over £125,000 and up to £250,000	2%	0%
Over £250,000 and up to £300,000	5%	0%
Over £300,000 and up to £500,000	5%	5%

This change affects the following section:

- Chapter 7, section A, page 7/2.