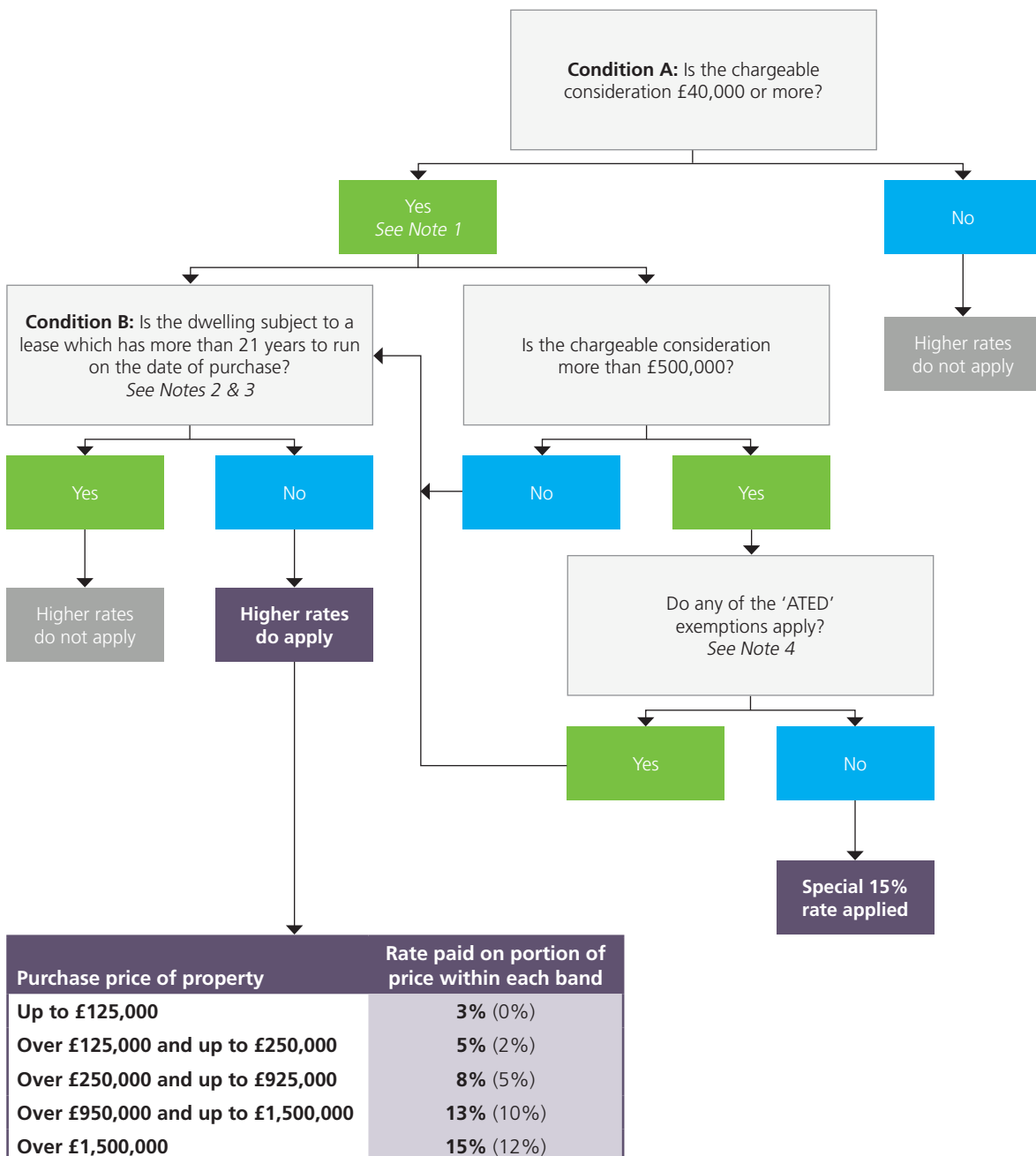


## Higher rates of SDLT for purchases of additional properties

### Transactions involving Companies



## Notes

1. The £40,000 is not an allowance or a 0% tax band, if the chargeable consideration is equal to or more than £40,000 then the relevant higher rates apply to the whole chargeable consideration.
2. A purchase of a freehold or leasehold interest that is subject to a lease with more than 21 years remaining will not be chargeable at higher rates.
3. Cases involving lease extensions will require consideration.
4. There are several important exemptions from the higher rate of SDLT under the 'ATED' provisions, including acquisitions of residential property:
  - which is used exclusively for the purposes of a property rental, property development or property trading business (so long as the property is not occupied by a non-qualifying individual);
  - which is to be made available to the public as part of a trade conducted on a commercial basis with a view to profit (e.g. a stately home or a wedding venue);
  - via re-possession by the mortgage lender following default on the loan;
  - for the intention of housing one or more employees (and their families if necessary);
  - to be used as a farmhouse and forms part of land that is occupied for the purposes of a qualifying farming trade.
5. In the case of **multiple dwelling transactions**, if none of the interests in dwellings meet both Conditions A & B, then the higher rates do not apply. If there is a multiple purchase by a company and if Conditions A & B are met in respect of at least 1 of the dwellings, the higher rates will apply.