

## Residential Property

### Stamp duty land tax

From 1 December 2003, stamp duty was abolished and a new tax called stamp duty land tax (SDLT) was introduced which affects all land transactions.

Stamp duty has been payable according to the document by which the sale (or lease) was effected and solicitors acting for the buyer (or lessee) would have completed the necessary forms on their behalf.

Under the new regime, on completion of a land transaction, the person responsible for paying the duty (normally the buyer or the lessee) will be required to complete and sign a Land Transaction Return. This form must be signed by you, the tax payer. We cannot sign this on your behalf.

The Return is considerably more detailed and complicated than the forms for payment of stamp duty. It is more akin to an Income Tax Return. Prior to completion of your transaction, we will send you the Land Transaction Return filled in by us, as far as we are able, from the information that we have available. If any information required for the form is not known to us, we shall let you know what further information you need to provide. It will be your responsibility to check, and if necessary update, that information and to sign the form and return it to us, providing the tax when due. We will provide you with guidance on completion of the form and we shall of course be responsible for filling in the technical parts of the form.

Please note that if you are having a mortgage in connection with the transaction, we will not be able to complete your transaction unless we hold the signed form.

On freehold purchases, although the procedure has changed, the rate of duty has not, at present, altered. There are however substantial differences in the way in which SDLT is calculated for leases. If you would like us to provide further information now, please let us know.

The introduction of this new system and particularly the completion of the SDLT Return Form (which has some 70 boxes of information to complete) have increased the work that we need to carry out for our clients. This is reflected in our charges.

If you make an error in signing the return we shall have to prepare a fresh one. Because the completion of the return is time consuming, if a new one has to be prepared there will be a further fee for this additional work.

You need to bear in mind that the Inland Revenue is entitled to carry out spot checks on stamp duty land tax returns. These can be carried out (depending on when the return is filed) some nine to ten months after the return is sent to the Inland Revenue. Please also bear in mind that you are under a duty to keep all records concerning the calculation of the SDLT for a period of six years.

### Contact

For further information or advice, please contact: [respropertyinfo@bllaw.co.uk](mailto:respropertyinfo@bllaw.co.uk)

Southampton office	T: 023 8090 8090
Oxford office	T: 01865 248607
Portsmouth office	T: 023 9222 1122

This publication is not a substitute for detailed advice on specific transactions and problems and should not be taken as providing legal advice on any of the topics discussed.

Blake Laphorn uses the information it holds about you to contact you where necessary if (for instance) you have registered to attend a seminar that we are hosting or have requested information regarding the services that we provide. We will also use it to administer, support, improve and develop our business and to contact you for your views on our services, as well as to let you know about other products and services which we offer which may be of interest to you. We may send them by post, telephone or fax, email or SMS. If you would rather NOT receive further information by any particular format, or at all, or if your details need updating, please contact Kelly Benfield on 01865 253268 or by email at [kelly.benfield@bllaw.co.uk](mailto:kelly.benfield@bllaw.co.uk)

We will not disclose any of your personal identifiable information to any third parties without your express permission to do so, unless we believe that we should do so to comply with the law.