# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Land Transaction Tax higher residential rates refund period extension where exceptional circumstances apply** |
| **DATE** | **16 November 2021** |
| **BY** | **Rebecca Evans, Minister for Finance and Local Government** |

The higher residential rates of Land Transaction Tax apply where the buyer already owns one or more residential properties. However, if the buyer is replacing their main residence and sells their previous main residence within three years of purchasing their new main residence, they are eligible to claim a refund of the higher rates element of the tax paid.

The three-year period in which to claim a refund is sufficient for the sale of the previous main residence to be completed in the vast majority of cases. However, truly exceptional circumstances that could not have been reasonably anticipated sometimes prevent the sale of a previous main residence within that time. In particular, there are cases where people have been unable to sell their former main residence due to issues associated with unsafe cladding, and the refund period has either now ended, or will come to an end, before the necessary works are completed and the impediment to sale is resolved.

I therefore intend to bring forward legislation in due course that will allow taxpayers to claim a refund of the higher rates where they are replacing their main residence and have sold their previous main residence more than three years after purchasing the new property, if truly exceptional circumstances related to issues with unsafe cladding prevented the sale being completed more quickly.

I will provide further information to Members in due course.