

SL(6)572 – The Land Transaction Tax (Modification of Relief for Acquisitions Involving Multiple Dwellings) (Wales) Regulations 2025

These Regulations amend the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (“the **2017 Act**”) to limit the availability of multiple dwelling relief (“**MDR**”) from land transaction tax (“**LTT**”) in certain circumstances where the subsidiary dwelling exception (“**SDE**”) applies.

Higher residential rates of LTT generally apply to purchases of additional residential dwellings. However, for purchases of a main dwelling alongside a subsidiary dwelling (or dwellings) within the same building or grounds, the SDE provides an exemption from the higher residential rates of LTT, subject to certain conditions.

MDR is a partial relief from LTT available where a purchaser acquires a number of dwellings in the same transaction or in linked transactions. The effect of these Regulations will be to broadly prevent taxpayers who will be main residential LTT ratepayers due to the operation of the SDE from also being able to claim MDR.

The Regulations will come into force on 7 February 2025 and contain transitional provision for land transactions effected by a contract entered into or substantially performed before that date, subject to certain conditions.

Procedure

Affirmative.

The Welsh Ministers have laid a draft of the Regulations before the Senedd. The Welsh Ministers cannot make the Regulations unless the Senedd approves the draft Regulations.

Technical Scrutiny

No points are identified for reporting under Standing Order 21.2 in respect of this instrument.

Merits Scrutiny

The following point is identified for reporting under Standing Order 21.3 in respect of this instrument.

- 1. Standing Order 21.3(i) – that it imposes a charge on the Welsh Consolidated Fund or contains provisions requiring payments to be made to that Fund or any part of the government or to any local or public authority in consideration of any licence or consent or of any services to be rendered, or prescribes the amount of any such charge or payment.**



Section 25 of the Tax Collection and Management (Wales) Act 2016 provides that the Welsh Revenue Authority must pay amounts collected in the exercise of its functions, which includes the collection of LTT, into the Welsh Consolidated Fund.

These Regulations modify the application of a relief (MDR) from LTT in transactions involving the purchase of more than one dwelling, in certain circumstances where the SDE applies.

Welsh Government response

A Welsh Government response is not required.

Committee Consideration

The Committee considered the instrument at its meeting on 27 January 2025 and reports to the Senedd in line with the reporting point above.

