

Tuesday 11 June 2013

PUBLIC BILL COMMITTEE

*New Amendments handed in are marked thus **

Amendments which will comply with the required notice period at their next appearance

FINANCE BILL

(Except Clauses 1, 3, 16, 183, 184 and 200 to 212; Schedules 3 and 41; any new Clauses, and any new Schedules, first appearing on the Order Paper not later than Tuesday 16 April 2013 and relating to tax measures concerning housing; and any new Clauses, and any new Schedules, relating to value added tax or the bank levy or air passenger duty or the subject matter of Clauses 1 and 16 and Schedule 3 or the subject matter of Clause 3 or the subject matter of Clauses 203 to 212 and Schedule 41)

Mr David Gauke

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* Schedule 39, page 465, line 12, leave out from beginning to ‘Sub-paragraph’ in line 13 and insert—

‘(2A) After than sub-paragraph insert—

“(3A) But no tax or additional tax is payable in respect of a transaction as a result of the continuation of a lease for a period (or further period) of one year under sub-paragraph (2) if, during that one year period, the tenant under the lease is granted a new lease of the same or substantially the same premises in circumstances where paragraph 9A applies.”

(3) After sub-paragraph (3A) insert—

“(3B) ’.

Mr David Gauke

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* Schedule 39, page 465, line 40, leave out ‘fixed’.

Mr David Gauke

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* Schedule 39, page 465, line 42, leave out ‘fixed’.

Mr David Gauke

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* Schedule 39, page 468, line 20, after ‘2(2),’ insert ‘(2A),’.

EXPLANATORY NOTE

CLAUSE 195 AND SCHEDULE 39: STAMP DUTY LAND TAX ON LEASES

SUMMARY

1. Schedule 39, introduced by clause 195, makes changes to Schedule 17A of the Finance Act 2003. Schedule 17A makes special provision for Stamp Duty Land Tax (SDLT) on certain types of lease transactions. The changes abolish the rules on abnormal rent increases. They also simplify the reporting requirements where a lease continues after the expiry of its fixed term and where an agreement for leases is substantially performed before the actual lease is itself granted.

DETAILS OF THE AMENDMENT

2. Paragraphs 2 and 3 of Schedule 39 make changes to paragraph 3 of Schedule 17A which applies when a lease continues after the expiry of its fixed term. As currently drafted they result, in certain circumstances, in taxpayers being required to submit two returns for the same period, one under paragraph 3 of Schedule 17A and the other under paragraph 9A of that Schedule.
3. Amendment 103 inserts a new sub-paragraph 3(3A) into Schedule 17A. This provides that no additional tax is payable, and therefore no return is required under paragraph 3 where, during a period (or further period) of continuation, a new lease is granted in circumstances where paragraph 9A applies.
4. Amendments 104 and 105 make consequential amendments.
5. Amendment 106 provides for commencement.

BACKGROUND

6. The changes made by Schedule 39 are intended to simplify the reporting requirements where a lease continues after the expiry of its fixed term. This amendment will ensure that the changes meet that objective.