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## **1 Homes for Ukraine Sponsorship Scheme: taxation**

- (1) Schedule 1 makes provision about the Homes for Ukraine Sponsorship Scheme in relation to –
  - (a) income tax
  - (b) corporation tax;
  - (c) annual tax on enveloped dwellings;
  - (d) stamp duty land tax.
- (2) In this section and in Schedule 1, “the Homes for Ukraine Sponsorship Scheme” means the scheme contained in paragraphs UKR 11.1 to UKR 20.2 of Appendix Ukraine Scheme to the immigration rules (within the meaning of the Immigration Act 1971).

## HOMES FOR UKRAINE SPONSORSHIP SCHEME: TAXATION

*Income tax and corporation tax*

- 1 (1) No liability to income tax or corporation tax arises in respect of a payment which is made by a local authority to a person (“S”) by reason of S—
  - (a) being an approved sponsor under the Homes for Ukraine Sponsorship Scheme, and
  - (b) providing accommodation to a person granted entry clearance or permission to stay under that scheme.
- (2) This paragraph has effect in relation to payments made on or after 14 March 2022.

*Annual tax on enveloped dwellings*

- 2 (1) Part 3 of FA 2013 (annual tax on enveloped dwellings) is modified as follows.
- (2) That Part has effect as if after section 133 there were inserted—

**“133A Deemed property rental business: Homes for Ukraine Sponsorship Scheme**

- (1) A day in a chargeable period (“day X”) is to be treated as relievable in relation to a single-dwelling interest by virtue of section 133(1) (property rental business) if (ignoring this section) day X is not relievable by virtue of any of the provisions listed in section 132(3) and—
  - (a) in a case where the day immediately before day X was relievable in relation to a single-dwelling interest by virtue of section 133(1) (including by virtue of this section), Condition A or B is met in relation to the dwelling on day X, or
  - (b) in a case where the day immediately before day X was not relievable in relation to a single-dwelling interest by virtue of section 133(1), Condition A is met in relation to the dwelling on day X.
- (2) For the purposes of subsection (1)—
  - (a) Condition A is that the dwelling is exclusively occupied by an individual (or individuals) granted entry clearance, or permission to stay, under the Homes for Ukraine Sponsorship Scheme;
  - (b) Condition B is that reasonable steps are being taken to secure that the dwelling will, without undue delay, be so occupied.
- (3) A day is not relievable by virtue of this section in the case of a single-dwelling interest if on that day a non-qualifying individual is permitted to occupy the dwelling.
- (4) In subsection (2)(b), “without undue delay” means without delay except so far as delay is justified by commercial considerations or cannot be avoided.”

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(3) Section 138 (property developers) has effect as if for subsection (2) there were substituted –

“(2) If the property developer holds an interest for the purpose mentioned in subsection (1)(b), any additional purpose the property developer may have of –

(a) exploiting the interest as a source of rents or other receipts in the course of a qualifying property rental business (after developing the land and before reselling it), or

(b) permitting an individual granted entry clearance, or permission to stay, under the Homes for Ukraine Sponsorship Scheme to occupy the dwelling,

is treated as not being a separate purpose in applying the test in subsection (1)(b).”

(4) Section 141 (property traders) has effect as if, after subsection (2), there were inserted –

“(2A) If the person holds an interest for the purpose mentioned in subsection (1)(b), any additional purpose the person may have of permitting an individual, other than a non-qualifying individual, who is granted entry clearance, or permission to stay, under the Homes for Ukraine Sponsorship Scheme to occupy the dwelling is treated as not being a separate purpose in applying the test in subsection (1)(b).”

(5) Section 174 (general interpretation) has effect as if, in subsection (1), at the appropriate place, there were inserted –

““the Homes for Ukraine Sponsorship Scheme” means the scheme contained in paragraphs UKR 11.1 to UKR 20.2 of Appendix Ukraine Scheme to the immigration rules (within the meaning of the Immigration Act 1971);”

(6) The modifications made by this paragraph have effect in relation to days on or after 1 April 2022.

### *Stamp duty land tax*

3 (1) Schedule 4A to FA 2003 (stamp duty land tax: higher rate for certain transactions) is modified as follows.

(2) Paragraph 5 (businesses of letting, trading in or redeveloping properties) has effect as if after sub-paragraph (2) there were inserted –

“(2A) In determining whether a chargeable interest has been acquired exclusively for one or more of those purposes, any intention to permit an individual, other than a non-qualifying individual, who is granted entry clearance, or permission to stay, under the Homes for Ukraine Sponsorship Scheme to occupy any dwelling on the land is to be ignored.”

(3) In paragraph 5G (withdrawal of relief allowed under paragraph 5), sub-paragraph (4) has effect as if –

(a) the words from “because of a change of circumstances” to the end become paragraph (a);

(b) after that paragraph there were inserted –

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- “(b) any dwelling on the land is occupied by an individual granted entry clearance, or permission to stay, under the Homes for Ukraine Sponsorship Scheme, or
- (c) the purchaser is taking reasonable steps to ensure that any dwelling on the land will be so occupied without delay (except so far as delay may be justified by commercial considerations or cannot be avoided)”;
- (4) Paragraph 9 (interpretation) has effect as if, at the appropriate place, there were inserted –
- ““the Homes for Ukraine Sponsorship Scheme” means the scheme contained in paragraphs UKR 11.1 to UKR 20.2 of Appendix Ukraine Scheme to the immigration rules (within the meaning of the Immigration Act 1971);”.
- (5) The modifications made by sub-paragraphs (2) and (4) have effect in relation to any land transaction the effective date of which is on or after 31 March 2022.
- (6) The modification made by sub-paragraph (3) has effect in relation to any time on or after 31 March 2022.