

1 Increased rates for additional dwellings: transactions before 1 April 2025

- (1) Section 1 of the Stamp Duty Land Tax (Temporary Relief) Act 2023 (which provides for reduced rates of stamp duty land tax for transactions before 1 April 2025) is amended as follows.
- (2) In subsection (3) (which deals with purchases of additional dwellings), for the Table A mentioned there substitute—

“TABLE A: RESIDENTIAL

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as does not exceed £250,000	5%
So much as exceeds £250,000 but does not exceed £925,000	10%
So much as exceeds £925,000 but does not exceed £1,500,000	15%
The remainder (if any)	17%”.

- (3) The amendment made by this section has effect in relation to land transactions the effective date of which falls on or after 31 October 2024 but before 1 April 2025.
- (4) But the amendment made by this section does not have effect in relation to a land transaction which—
- is effected in pursuance of a contract entered into before 31 October 2024, and
 - is not excluded.
- (5) For this purpose a land transaction is excluded if—
- there is any variation of the contract, or assignment of rights under the contract, on or after 31 October 2024,
 - the transaction is effected in consequence of the exercise on or after that date of any option, right of pre-emption or similar right, or
 - on or after that date, there is an assignment, subsale or other transaction relating to the whole or part of the subject-matter of the contract as a result of which a person other than the purchaser under the contract becomes entitled to call for a conveyance.
- (6) This section also needs to be read with section 2 (which deals with cases where a contract has been substantially performed before the change in rates made by this section etc).

2 Contracts substantially performed before relevant rate change

- (1) The Stamp Duty Land Tax (Temporary Relief) Act 2020 is amended as follows.

- (2) In section 1 (reduced rates of SDLT in relation to land transactions the effective date of which falls in the period beginning with 8 July 2020 and ending with 30 June 2021) –
- (a) in subsection (6) (which provides an exception from section 44(8) of FA 2003 where the contract is completed after 30 June 2021), for the words from “that the modifications” to the end substitute “the reason given by subsection (6A)”, and
 - (b) after subsection (6) insert –

“(6A) For this purpose, the sole reason is either –

 - (a) that the modifications made by this section have no effect in relation to that conveyance, or
 - (b) that both paragraph (a) applies and the increased rates provided for by section 1 of the Finance Act 2025 would have had effect in relation to that conveyance.”
- (3) In section 1A (reduced rates of SDLT in relation to land transactions the effective date of which falls in the period beginning with 1 July 2021 and ending with 30 September 2021) –
- (a) in subsection (5) (which provides an exception from section 44(8) of FA 2003 where the contract is completed after 30 September 2021), for the words from “that the modifications” to the end substitute “the reason given by subsection (5A)”, and
 - (b) after subsection (5) insert –

“(5A) For this purpose, the sole reason is either –

 - (a) that the modifications made by this section have no effect in relation to that conveyance, or
 - (b) that both paragraph (a) applies and the increased rates provided for by section 1 of the Finance Act 2025 would have had effect in relation to that conveyance.”
- (4) In a case where –
- (a) as a result of section 44(4) of FA 2003 the effective date of a land transaction is before 31 October 2024, and
 - (b) the contract concerned is completed by a conveyance on or after that date,
- section 44(8) of that Act is not to apply in relation to that conveyance if the sole reason that (but for this subsection) it would have applied is that the increased rates provided for by section 1 of this Act would have had effect in relation to that conveyance.
- (5) Section 44(10) of FA 2003 applies for the purposes of subsection (5).

3 Purchases by companies etc

- (1) In –
- (a) paragraph 3(1)(a) of Schedule 4A to FA 2003 (higher rate of SDLT for purchases by companies etc), and

- (b) step 4 in section 74(1A) of FA 2003 (exercise of collective rights by tenants of flats where condition in paragraph 3(3) of that Schedule is met),
for “15%” substitute “17%”.
- (2) The amendments made by this section have effect in relation to land transactions the effective date of which falls on or after 31 October 2024.
- (3) But the amendments made by this section do not have effect in relation to a land transaction which—
- (a) is effected in pursuance of a contract entered into before that date, and
 - (b) is not excluded.
- (4) For this purpose a land transaction is excluded if—
- (a) there is any variation of the contract, or assignment of rights under the contract, on or after 31 October 2024,
 - (b) the transaction is effected in consequence of the exercise on or after that date of any option, right of pre-emption or similar right, or
 - (c) on or after that date, there is an assignment, subsale or other transaction relating to the whole or part of the subject-matter of the contract as a result of which a person other than the purchaser under the contract becomes entitled to call for a conveyance.
- (5) In a case where—
- (a) as a result of section 44(4) of FA 2003 the effective date of a land transaction is before 31 October 2024, and
 - (b) the contract concerned is completed by a conveyance on or after that date,
- section 44(8) of that Act is not to apply in relation to that conveyance if the sole reason that (but for this subsection) it would have applied is that the increased rates provided for by this section would have had effect in relation to that conveyance.
- (6) Section 44(10) of FA 2003 applies for the purposes of subsection (5).