

These notes refer to the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (c.1) which received Royal Assent on 24 May 2017

LAND TRANSACTION TAX AND ANTI-AVOIDANCE OF DEVOLVED TAXES (WALES) ACT 2017

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 6 – Returns and Payments

Section 59 - Calculation of deferrable amount

75. **Section 59** provides the method for calculating the amount of deferrable tax. The amount is calculated by following the four steps set out in the section; firstly, calculate the amount of tax chargeable in respect of the land transaction in question by using the normal rules, secondly, establish the amount of deferred consideration (as defined in the section), thirdly, calculate the tax chargeable for that land transaction had the chargeable consideration for the transaction been reduced by the amount of the deferred consideration (established under step 2), and finally, take the amount calculated under step 3 away from the amount calculated under step 1 and the result is the amount that may be deferred. Importantly, step 2 only allows amounts of deferred consideration that are expected, at least in part, to be paid more than 6 months after the effective date of the transaction to be included in the calculation.