

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 8 – Interpretation and Final Provisions

Schedule 6 - Leases

Part 2 - Duration of lease and treatment of overlapping leases

Leases that continue after a fixed period

232. **Paragraph 3** provides that when a lease for a fixed term reaches its contractual termination date (“CTD”) and the tenant remains in occupation that the lease is treated as though it was for a year longer than the original fixed term. The buyer must make a return for this additional year, in the event that there is more tax payable or that tax becomes payable, before the end of 30 days beginning with the day after the end of that additional 12 month period.
233. In the event that there is a further extension then the original lease is to be treated as extended by another year (so, 2 years) and so on. The filing date for the return is, again, before the end of 30 days beginning with the day after the end of that two year extension period. However, if the lease terminates early during any deemed extension, it’s treated accordingly for LTT (again, with a further return obligation arising if more tax is due).
234. These rules are subject to paragraphs 4 and 8 of this Schedule which provide for specific rules in specific circumstances.