

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

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 8 – Interpretation and Final Provisions

Schedule 21 – Compulsory purchase relief and planning obligations relief

Relief for compulsory purchase facilitating development

411. [Paragraph 1](#) of this Schedule provides relief from LTT where land is purchased following the making of a compulsory purchase order for the purposes of facilitating development by another party. For example, this relief might be claimed where a local authority makes a compulsory purchase order (whether by agreement or not) to acquire land or property for development by a separate developer. As this situation comprises two land transactions, two amounts of LTT would be due. However, as long as the local authority is not responsible for the development, it is able to claim relief from LTT when it acquires the chargeable interest under the first transaction.

Relief for compliance with planning obligations

412. As a condition of granting planning permission, a public body may require the developer to provide certain amenities, such as new roads or a school, known as planning obligations imposed under section 106 or section 106A of the Town and Country Planning Act 1990. [Paragraph 2](#) of this Schedule provides relief from LTT where the public body (as the buyer) acquires a chargeable interest when the developer (as the seller) is complying with such a planning obligation. In order to qualify for the relief the planning obligation must be enforceable against the seller; the buyer must be a public body; and the effective date of the transaction must fall within a five year period beginning with the date of the planning obligation or when the planning obligation was modified.
413. [Paragraph 2\(3\)](#) defines the entities that constitute a public body for the purposes of this relief and further provides that the Welsh Ministers may through regulations add to the list of public bodies entitled to claim this relief.