



Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017

2017 anaw 1

PART 8

INTERPRETATION AND FINAL PROVISIONS

Interpretation

67 Meaning of tax

Except as otherwise provided, in this Act, “tax” means land transaction tax.

68 Meaning of major interest in land

References in this Act to a “major interest” in land are to—

- (a) an estate in fee simple absolute, or
- (b) a term of years absolute,

whether subsisting at law or in equity.

69 Meaning of subject-matter and main subject-matter

Except as otherwise provided, references in this Act to the subject-matter of a land transaction are to the chargeable interest acquired (the “main subject-matter”), together with any interest or right appurtenant or pertaining to it that is acquired with it.

70 Meaning of market value

For the purposes of this Act, “market value” is to be determined as for the purposes of the [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#) (see sections 272 to 274 of that Act).

71 Meaning of effective date of transaction

Except as otherwise provided, the effective date of a land transaction for the purposes of this Act is the date of completion.

72 Meaning of residential property

- (1) In this Act, “residential property” means—
 - (a) a building that is used or suitable for use as one or more dwellings, or is in the process of being constructed or adapted for such use;
 - (b) land that is or forms part of the garden or grounds of a building within paragraph (a) (including any building or structure on such land);
 - (c) an interest in or right over land that subsists for the benefit of a building within paragraph (a) or of land within paragraph (b).
- (2) Accordingly, “non-residential property” means any property that is not residential property.
- (3) But see the rule in subsection (9) in the case of a transaction involving 6 or more dwellings.
- (4) For the purposes of subsection (1), a building used for any of the following purposes is used as a dwelling—
 - (a) residential accommodation for school pupils;
 - (b) residential accommodation for students, other than accommodation falling with subsection (5)(b);
 - (c) residential accommodation for members of the armed forces;
 - (d) an institution that is the sole or main residence of at least 90% of its residents and does not fall within any of paragraphs (a) to (f) of subsection (5).
- (5) For the purposes of subsection (1), a building used for any of the following purposes is not used as a dwelling—
 - (a) a home or other institution providing residential accommodation for children;
 - (b) a hall of residence for students in further or higher education;
 - (c) a home or other institution providing residential accommodation with personal care for persons in need of personal care by reason of old age, disability, past or present dependence on alcohol or drugs or past or present mental disorder;
 - (d) a hospital or hospice;
 - (e) a prison or similar establishment;
 - (f) a hotel or similar establishment.
- (6) Where a building is used for a purpose specified in subsection (5), no account is to be taken for the purposes of subsection (1)(a) of its suitability for any other use.
- (7) Where a building that is not in use is suitable for use for at least one of the purposes specified in subsection (4) and at least one of those specified in subsection (5)—
 - (a) if there is one such use for which it is most suitable, or if the uses for which it is most suitable are all specified in the same subsection, no account is to be taken for the purposes of subsection (1)(a) of its suitability for any other use,
 - (b) otherwise, the building is to be treated for those purposes as suitable for use as a dwelling.

Status: This is the original version (as it was originally enacted).

- (8) In this section, “building” includes part of a building.
- (9) Where 6 or more dwellings are the subject of a single transaction involving the transfer of a major interest in, or the grant of a lease over, them, then, for the purposes of this Act as it applies in relation to that transaction, those dwellings are treated as being non-residential property.
- (10) The Welsh Ministers may by regulations amend this section.

73 Meaning of dwelling

References in this Act to a “dwelling” are to residential property comprising a single dwelling.

74 References to connected persons

- (1) Section 1122 of the [Corporation Tax Act 2010 \(c. 4\)](#) (connected persons) applies for the purposes of any reference in this Act to a person being connected with another person.
- (2) But see the particular provision made in the following provisions—
 - (a) section 23(3)(b) (exceptions to deemed market value rule in transactions with connected companies);
 - (b) paragraphs 16(2)(b) and 24(2)(b) of Schedule 7 (partnership transactions: determining the corresponding partners);
 - (c) paragraph 51 of that Schedule (partnerships: application of section 1122 of the [Corporation Tax Act 2010 \(c. 4\)](#) to Schedule 7 generally);
 - (d) paragraph 5(5) of Schedule 16 (group relief: joint venture companies);
 - (e) paragraph 6(3) of that Schedule (group relief: mortgage arrangements).

75 Other definitions

In this Act—

“child” (“*plentyn*”) means a person under the age of 18;

“consumer prices index” (“*mynegai prisiau defnyddwyr*”) means the all items consumer prices index published by the Statistics Board;

“enactment” (“*deddfiad*”) means an enactment (whenever enacted or made) which is, or is contained in—

- (a) an Act of Parliament,
- (b) an Act or a Measure of the National Assembly for Wales, or
- (c) subordinate legislation (within the meaning of the [Interpretation Act 1978 \(c. 30\)](#)) made under—
 - (i) an Act of Parliament, or
 - (ii) an Act or a Measure of the National Assembly for Wales;

“land” (“*tir*”) includes—

- (a) buildings and structures;
- (b) land covered by water;

“registered social landlord” (“*landlord cymdeithasol cofrestredig*”) means a body registered as a social landlord in a register maintained under section 1(1) of the [Housing Act 1996 \(c. 52\)](#);

Status: This is the original version (as it was originally enacted).

“retail prices index” (“*mynegai prisiau manwerthu*”) means the United Kingdom General Index of Retail Prices published by the Statistics Board under section 21 of the [Statistics and Registration Service Act 2007 \(c. 18\)](#);

“TCMA” (“*DCRht*”) means the [Tax Collection and Management \(Wales\) Act 2016 \(anaw 6\)](#);

“Wales” (“*Cymru*”) has the meaning given by section 158(1) of the [Government of Wales Act 2006 \(c. 32\)](#).