

SCOTLAND ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS (AND SCHEDULES)

Part 3: Finance

Section 29: Disapplication of UK stamp duty land tax

152. SDLT is a transaction tax which applies to acquisitions of a chargeable interest in land. The definition of “chargeable interest” at section 48 of the Finance Act 2003 includes an estate, interest, right or power in or over land in the United Kingdom.
153. This section provides for SDLT to be disappplied by reference to the “effective date” of a land transaction for SDLT purposes. This is normally the date on which the purchase contract is completed but may be earlier if the transaction is “substantially performed” (that is, if the consideration for the transaction is paid or the property is occupied) before this date.
154. *Subsection (1)* introduces the amendments to the SDLT provisions in Part 4 of the Finance Act 2003.
155. *Subsection (2)* amends the definition of “chargeable interests” in Section 48 by limiting it to interests in land in England and Wales or Northern Ireland.
156. *Subsection (3)* introduces Schedule 3. Part 1 of Schedule 3 contains further amendments relating to the disapplication of SDLT in Scotland and Part 2 provides for the supply of information about land transactions in Scotland to HMRC, as this information will no longer be available to HMRC from land transaction returns.
157. *Subsection (4)* applies the amendments introduced by the section to land transactions with an effective date on or after a date appointed by HM Treasury.
158. *Subsection (5)* makes transitional provisions to ensure that SDLT continues to apply to transactions where a contract is entered into on or before the date on which the Act receives the Royal Assent.
159. *Subsection (6)* disappplies the transitional rules in *subsection (5)* where certain events in relation to the transaction occur after Royal Assent.