



Finance Act 2013

2013 CHAPTER 29

PART 3

ANNUAL TAX ON ENVELOPED DWELLINGS

Meaning of “dwelling”

117 Dwellings in the same building

- (1) Two parts of a building are “linked dwellings” if—
 - (a) each of them counts as a dwelling,
 - (b) there is private access between the two dwellings,
 - (c) the two parts of the building are not (together) used or suitable for use as a single dwelling, and
 - (d) the common ownership condition and the use condition are met.
- (2) The common ownership condition is that—
 - (a) a company is entitled to a chargeable interest in one of the dwellings, and the company or a person connected with the company is entitled to a chargeable interest in the other dwelling, or
 - (b) a chargeable interest in one of the dwellings is held for the purposes of a collective investment scheme, and a chargeable interest in the other dwelling is held for the purposes of the same collective investment scheme.

(It does not matter whether or not the interests are held for the same title.)
- (3) If on a day in a chargeable period (“the day in question”) two parts of a building constitute linked dwellings, this Part has effect in relation to the interests mentioned in paragraph (a) or (as the case may be) (b) of subsection (2) as if the two parts were, on the day in question, suitable for use as a single dwelling.
- (4) Subsection (3) does not apply if—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Section 117. (See end of Document for details)

- (a) the day in question is, in relation to a chargeable interest mentioned in subsection (2)(a) or (as the case may be) (2)(b), relievable by virtue of a provision mentioned in subsection (5), or
 - (b) (in a case where paragraph (a) of subsection (2) applies) the ownership condition is, by virtue of section 151 (charitable companies), regarded as not being met on that day with respect to one or other of the chargeable interests mentioned in that paragraph.
- (5) Those provisions are—
- section 133 (property rental businesses);
 - section 134 (rental property: preparation for sale etc);
 - section 137 (dwellings opened to the public);
 - section 138 (property developers);
 - section 139 (property developers: exchange of dwellings);
 - section 141 (property traders);
 - section 143 (financial institutions acquiring dwellings in the course of lending);
 - [^{F1}section 144A (regulated home reversion plans);]
 - section 145 (occupation by [^{F2}employees or partners of a qualifying trade or property rental business]);
 - [^{F3}section 147A (caretaker flat owned by management company);]
 - section 148 (farmhouses);
 - section 150 (providers of social housing).
- (6) The reference in subsection (2)(a) to a person connected with the company does not include a public body (as defined in section 153) or a body listed in section 154(2) (bodies established for national purposes).
- (7) If two dwellings in a building (dwelling A and dwelling B) are treated under this section as suitable for use as a single dwelling, and dwelling B and a third dwelling in the building (“dwelling C”) are treated under this section as suitable for use as a single dwelling, all three are treated as suitable for use as a single dwelling (and so on).

Textual Amendments

- F1** Words in s. 117(5) inserted (15.9.2016) (with effect in accordance with s. 134(7) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 134\(4\)](#)
- F2** Words in s. 117(5) substituted (15.9.2016) (with effect in accordance with s. 135(12) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 135\(9\)\(a\)](#)
- F3** Words in s. 117(5) inserted (15.9.2016) (with effect in accordance with s. 135(12) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 135\(9\)\(b\)](#)

Changes to legislation:

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