

EXPLANATORY MEMORANDUM TO
THE STAMP DUTY LAND TAX (ZERO-CARBON HOMES RELIEF) (AMENDMENT)
REGULATIONS 2008

2008 No. 1932

1. This explanatory memorandum has been prepared by HM Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.

This memorandum contains information for the Select Committee on Statutory Instruments.

2. **Description**

2.1 The Regulations make provisions:

- allowing for an accredited assessor to charge a reasonable fee for assessing a dwelling and producing a certificate for the purposes of the Stamp Duty Land Tax (Zero-Carbon Homes Relief) Regulations 2007 (the principal Regulations);
- as to the provision of certificates for properties affected by the extension of the relief from stamp duty land tax ('SDLT') on the first acquisition of new zero-carbon homes to include flats meeting the criteria specified in the principal Regulations with effect from 1 October 2007. The relief is extended to flats with retrospective effect by amendments to section 58B Finance Act 2003 by section 93 Finance Act 2008.

3. **Matters of special interest to the Select Committee on Statutory Instruments**

3.1 The amendments made by regulation 2(4) of these Regulations apply retrospectively to acquisitions made on or after 1 October 2007. Authority for the retrospective effect is given by section 93(7) Finance Act 2008.

3.2. The Regulations also amend the principal Regulations to allow an accredited assessor to charge a reasonable fee for assessing a dwelling and producing a certificate for the purpose of the principal Regulations. Section 58C (2)(d) of Finance Act 2003 inserted by Section 93 of Finance Act 2008 provides that the regulations may provide for the charging of a fee for certification services.

4. **Legislative Background**

4.1 Section 58B of the Finance Act 2003 gives the Treasury the power to grant relief from stamp duty land tax on the first acquisition of new zero-carbon homes. Section 58C of the Finance Act 2003 allows supplementary provisions to be made by regulations. Sections 58B and 58C were inserted by Section 19 of Finance Act 2007 and came into force on Royal Assent to the Finance Act. These Regulations provide relief from stamp duty land tax on the first acquisition of a dwelling which meets specified conditions.

4.2. The powers in sections 58B and 58C of the Finance Act 2003 have been used once before (in the principal Regulations) which provided for the terms of the relief, the

definition of a zero-carbon home and the evidence to be provided that a home met the definition. The principal Regulations were made on 6 December 2007 and came into effect in 7 December 2007; they have effect in relation to acquisitions made on or after 1 October 2007 and before 1 October 2012.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As this instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1. The Explanatory Memorandum accompanying the principal Regulations sets out most of the policy background to this measure. The relief introduced by the principal Regulations is intended to stimulate the demand for technologies and building techniques needed to build zero-carbon homes in the UK. The relief has applied from 1 October 2007.

7.2. Section 93 of Finance Act 2008 amended sections 58B and 58C of the Finance Act 2003 by extending the definition of dwelling, with the effect that the relief may apply to flats and by providing authority to allow an accredited assessor to charge a reasonable fee for assessing a dwelling and producing a certificate. These Regulations amend the principal Regulations to reflect the amendments in Finance Act 2008.

8. Impact

8.1 A Regulatory Impact Assessment was published at Budget 2007 and can be found at <http://www.hmrc.gov.uk/ria/9-zero-carbon-homes.pdf>

9. Contact

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