



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE: Introduction of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill

DATE: Monday 12 September 2016

BY: Mark Drakeford AM, Cabinet Secretary for Finance and Local Government

Today, the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill and Explanatory Memorandum, has been laid before the National Assembly for Wales.

The Bill will establish a new tax on land transactions, which will replace stamp duty land tax in Wales from April 2018. The Welsh Revenue Authority (WRA) will undertake the collection and management functions for land transaction tax.

The Bill was published in draft form in July to give Assembly Members and other interested stakeholders the opportunity to familiarise themselves with what is a long and technical piece of legislation.

The Welsh Government has engaged widely about the design and development of land transaction tax – stakeholders have asked for consistency with stamp duty land tax unless there is a case for improving efficiency and effectiveness or to address unique Welsh needs and priorities. The Bill takes this approach – there will be no change for change's sake.

The Bill retains key elements of stamp duty land tax, including the approach to partnerships, trusts and companies and, broadly, to reliefs and exemptions. This provides consistency and will enable a smooth transition for the property market.

Rates and bands for land transaction tax will be set through secondary legislation closer to April 2018, in order to reflect the economy and property market at that time. A research paper, which provides wider context about rates and bands for the current stamp duty land tax in England and Wales and land building transaction tax in Scotland, will be published shortly. It will also set out the issues which will need to be taken into account in Wales, including the wider economic context, when setting land transaction tax rates and bands.

Welsh taxes will be fair; simpler; will provide stability and certainty to taxpayers and will support public services, jobs and growth.

I look forward to working with the National Assembly about the provisions of the Bill during scrutiny over the coming months.

Further information about the Bill is available in a factsheet: <http://gov.wales/funding/fiscal-reform/welsh-taxes/land-transaction-tax/?lang=en>