Earlier this week the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill was introduced to the National Assembly. This Bill is the largest Assembly Bill to date standing at over 220 pages and takes us further forward in devolving stamp duty land tax to Wales. The Bill, however, does not include details on the rates and bands for the new tax.

The rates and bands for land transaction tax will need to be set closer to when the tax goes live in 2018. This is to ensure the rates and bands will be relevant to the property market and the economic environment at that time. However, before taking an informed decision on what rates and bands would be appropriate to Welsh needs and circumstances, a range of other factors need to be fully considered. I am publishing today a research paper on setting rates and bands for land transaction tax, which identifies some of these issues.

The research paper on setting rates and bands for land transaction tax sets out the context in which we are thinking about the rates and bands for the tax; considers the effects of stamp duty land tax; and looks to Scotland and the experience there of implementing land and buildings transaction tax, before summarising the key issues which will need to be assessed as part of the process of setting appropriate rates and bands for Wales.
The research paper is available on the Welsh Treasury internet page and can be accessed here: http://gov.wales/docs/caecd/publications/160915-ltt-bands-en.pdf

I hope that you will find this paper informative and engaging.