Sergeant and Sims on Stamp Taxes

Sean Randall
LLB, CTA (Fellow)
Partner, Blick Rothenberg Limited

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STAMP DUTY LAND TAX MEASURES—DIVISION AA

Stamp duty land tax: Restriction of charities relief to UK charities – Policy paper and Overview of tax legislation and rates (OOTLAR), para 1.60

Legislation will be introduced in the Spring Finance Bill 2023 to restrict the availability of charities relief to UK charities and Community Amateur Sports Clubs (CASCs).

This would take effect, subject to transitional rules, for land transactions with an effective date on or after 15 March 2023 for any charity or CASC that has not 'asserted their status as a charity' before 15 March 2023 and those with an effective date on or after 1 April 2024 for any charity or CASC that has.

Equivalent changes would be made to charities relief for other taxes, including stamp duty, stamp duty reserve tax and annual tax on enveloped dwellings.

Investment Zone special tax sites – Policy paper and Overview of tax legislation and rates (OOTLAR), para 1.28

The government will introduce legislation in the Spring Finance Bill 2023 to amend existing legislation to allow special tax sites to be designated where those sites are in, or connected with, 12 Investment Zones.

This would mean that purchasers could access a time limited SDLT relief that so far only applies to qualifying transactions in designated Freeport tax sites. The special tax sites would be designated using secondary legislation. Broadly, a transaction would be a qualifying transaction if the relevant property is acquired for qualifying commercial purposes and used for such purposes in a control period of up to three years.

Homes for Ukraine: Property tax exemptions and reliefs – Policy paper and Overview of tax legislation and rates (OOTLAR), para 1.67

As announced last year, the government will legislate in the Spring Finance Bill 2023 to introduce temporary reliefs from the 15 per cent 'super rate' of SDLT for dwellings made available for Ukrainian refugees under the Homes for Ukraine Sponsorship Scheme with effect from 31 March 2022. Equivalent temporary reliefs would be granted from ATED with effect from 1 April 2022.

It will also introduce legislation to make a change to the SDLT 'registered social landlord' exemption to ensure that local authorities granted additional funding from the Department for Levelling Up, Housing and Communities to buy housing to accommodate those fleeing conflict (including in Ukraine) qualify for the 'registered social landlord' exemption where they buy housing with the assistance of this funding and the transaction completes on or after 15 March 2023.

OVERVIEW OF TAX LEGISLATION AND RATES

Chapter 1 – Spring Finance Bill 2023

Corporate Tax: Capital allowances and reliefs

1.28 Investment Zones

As announced at Spring Budget 2023, the government will establish 12 Investment Zones across the UK, subject to successful proposals. Each zone will have access to interventions of £80 million over 5 years. Building on

Freeports legislation, the government will legislate in Spring Finance Bill 2023 to allow designation of special tax sites in or connected with Investment Zones. Special tax sites will be subject to approval by the government and will be designated using secondary legislation.

Once designated, special tax sites will benefit from a package of tax reliefs including Stamp Duty Land Tax (SDLT) relief, enhanced capital allowances for plant and machinery, enhanced structures and buildings allowances, and secondary Class 1 National Insurance contributions (NICs) relief. The reliefs will be time limited with the exact end date confirmed at a future date. The legislation will also provide for the power to amend the date by which conditions need to be met for the purposes of the tax reliefs and NICs relief using secondary legislation.

For special tax sites in England, SDLT relief will be made available for purchases of land or buildings, subject to that property being acquired for qualifying commercial purposes and used for such purposes in a control period of up to 3 years.

Enhanced capital allowances of 100% will be made available for companies incurring qualifying expenditure on new plant and machinery primarily for use in a special tax site.

An enhanced rate of structures and buildings allowances of 10% per year for 10 years will be made available for qualifying expenditure on non-residential structures and buildings situated in special tax sites. To qualify, construction must begin, expenditure must be incurred and the building or structure must be brought into non-residential use for the purposes of a qualifying activity between the date the special tax site is designated and the relevant end date for that site.

Secondary Class 1 NICs relief will be made available for employers with physical premises in a special tax site on the earnings of new employees who spend 60% or more of their working time within special tax sites. This rate can be applied on the earnings of all new hires up to £25,000 per year for up to 3 years.

The tax information and impact note for this measure provides more information: Investment Zone special tax sites with enhanced tax and National Insurance contributions reliefs.

Tax administration and other measures

1.60 Restriction of charitable reliefs to UK charities

As announced at Spring Budget 2023, the government will legislate in Spring Finance Bill 2023 to restrict UK charity tax reliefs and exemptions to UK charities and Community Amateur Sports Clubs (CASCs). The taxes affected are income tax, Capital Gains Tax, corporation tax, inheritance tax, Stamp Duty, SDLT, Stamp Duty Reserve Tax, Annual Tax on Enveloped Dwellings (ATED) and Diverted Profits Tax.

The change will come into effect from 15 March 2023, and will apply UK-wide. Non-UK charities and CASCs that HMRC has accepted qualify for charity tax reliefs will have a transitional period until April 2024.

The tax information and impact note for this measure provides more information: Restriction of charitable reliefs to UK charities.

1.67 Homes for Ukraine: Property Tax exemptions and reliefs

As announced on 31 March 2022, the government will legislate in Spring Finance Bill 2023 to introduce temporary reliefs from the ATED and the 15% rate of SDLT for dwellings made available for occupation by individuals granted entry clearance or permission to stay in the UK under the Homes for Ukraine Sponsorship Scheme. For ATED, the relief will apply to chargeable periods beginning on or after 1 April 2022 and for SDLT, the relief will have retrospective effect from 31 March 2022.

On 14 December 2022, the Department for Levelling Up, Communities and Housing (DLUHC) announced an additional £500m of funding for Local Authorities to help secure housing stock for those fleeing conflict. This additional funding is allocated under section 31 of the Local Government Act 2003 (LGA 2003). The government will legislate in Spring Finance Bill 2023 to amend the SDLT Registered Social Landlord exemption to ensure that purchases made with the assistance of section 31 LGA 2003 funding to secure additional social housing stock are not subject to SDLT.

The tax information and impact note for this measure provides more information: Homes for Ukraine: Reliefs and exemptions from Stamp Duty Land Tax and the Annual Tax on Enveloped Dwellings.

TAX INFORMATION AND IMPACT NOTES

Investment Zone special tax sites with enhanced tax and National Insurance contributions relief

Who is likely to be affected

Businesses investing and hiring new employees in special tax sites in or connected with Investment Zones.

General description of the measure

This measure will extend the power to designate geographic areas as special tax sites to allow designation of such sites in or connected with Investment Zones located in Great Britain. By extending the power, special tax sites in or connected with Investment Zones will now be able to benefit from a package of tax reliefs including Stamp Duty Land Tax (SDLT) relief, enhanced capital allowances for plant and machinery, enhanced structures and buildings allowances and secondary Class 1 National Insurance contributions (NICs) relief for eligible employers on the earnings of eligible employees up to £25,000 per annum.

Policy objective

This measure will enable special tax sites in or connected with Investment Zones to be designated and recognised in law as geographical areas where businesses can benefit from tax and NICs reliefs to incentivise investment and reduce the cost of hiring employees.

Background to the measure

The refocused Investment Zones programme is designed to grow the economy, whilst empowering local places and supporting levelling up, by building knowledge-intensive clusters which build on areas' existing strengths.

The package of tax reliefs available in Investment Zones has been carefully designed to bring forward new investment by reducing the cost of doing business. Local government and research institutions will be able to select from a flexible menu of interventions, including the tax offer, when designing their Investment Zone proposal.

Detailed proposal

Operative date

The measure will come into effect from the date of Royal Assent of Spring Finance Bill 2023.

Current law

There is existing legislation in section 113 Finance Act 2021 which allows HM Treasury to use secondary legislation to designate Freeport tax sites in Great Britain which benefit from a package of tax reliefs.

Finance Act 2021 also inserted provisions into Parts 2 and 2A of the Capital Allowances Act 2001 for enhanced capital allowances for plant and machinery and enhanced structures and buildings allowances respectively and into Part 4 of the Finance Act 2003 for SDLT relief. National Insurance Contributions Act 2022 contains the provisions for a zero-rate of secondary Class 1 NICs for employers of eligible employees working in designated Freeport tax sites on earnings up to £25,000 per annum.

Proposed revisions

Section 113 Finance Act 2021 will be amended to allow special tax sites to be designated where those sites are in or connected with Investment Zones. Designating the special tax sites will allow those sites to benefit from the existing tax and NICs reliefs which currently apply in Freeport tax sites.

Provision will also be made to allow the date by which conditions need to be met for the purposes of the tax reliefs and NICs relief to be amended using secondary legislation.

Consequential amendments will be made to the provisions of the Capital Allowances Act 2001, Part 4 of the Finance Act 2003, National Insurance

Contributions Act 2022 and Finance Act 2021 to enable special tax sites in or connected with Investment Zones to be able to benefit from the tax reliefs.

Summary of impacts

Exchequer impact (£m)

2022–23	2023–24	2024–25	2025–26	2026–27	2027–28
Empty	Empty	Empty	Empty	Empty	Empty

The final costing will be subject to scrutiny by the Office for Budget Responsibility and will be set out at a future fiscal event.

Economic impact

This measure is not expected to have any significant macroeconomic impacts.

Impact on individuals, households and families

This measure is not expected to directly impact on individuals as it primarily affects businesses investing or hiring new employees in a special tax site.

The measure is expected to have a positive impact on potential employees who work in or live near a special tax site as it makes them more attractive to employers. This is through introducing a secondary Class 1 NICs relief on the earnings of eligible employees working in a special tax site. This measure is not expected to impact on family formation, stability or breakdown.

Equalities impacts

It is not expected that there will be adverse effects on any group sharing protected characteristics.

Impact on business including civil society organisations

This measure will help to stimulate business investment in special tax sites and is expected to impact employers operating in special tax sites who will benefit from the secondary Class 1 NICs relief on earnings of eligible employees working in a special tax site. Businesses will need to assess their entitlement to the reliefs and claim them.

The scale of the impact on businesses will be assessed as the policy develops and the size and locations of Investment Zones are confirmed.

One-off costs could include a business and intermediaries having to spend time to make themselves aware of the change, updating software and upskilling staff as a result of the change. There are not expected to be any continuing costs for capital allowances and SDLT relief. Continuing costs in respect of the Class 1 NICs relief could include the cost of maintaining processes to monitor eligibility for the relief and record keeping.

Where civil society organisations invest in non-residential structures and buildings in special tax sites, they may choose to comply with evidence requirements so that, when they dispose of the asset, any subsequent owner may claim if entitled to do so. In addition, all civil society organisations and non-public sector organisations will be eligible for the secondary Class 1 NICs relief.

For capital allowances, this measure is expected overall to improve businesses' experience of dealing with HMRC as claims will be filed over a shorter period, reducing their time spent on tax administration. For SDLT relief and the secondary Class 1 NICs relief, the customer experience is expected to remain broadly the same, as this measure does not affect how businesses interact with HMRC.

Overall, the measure is expected to deliver benefits for businesses through accelerated capital allowances, relief from SDLT and a reduction in the cost of employment.

Operational impact (£m) (HMRC or other)

Operational impacts for HMRC will be fully assessed when the Investment Zones and special tax sites are selected and announced. These impacts will include staff resources, changes to IT systems and guidance.

Other impacts

Other impacts have been considered and none have been identified.

Monitoring and evaluation

The measure will be monitored through information collected from tax/NICs returns and through engagement with stakeholders and communications with the affected taxpayer population.

Further advice

If you have any questions about this change, please contact:

- For SDLT relief stamptaxes.budgetfinancebill@hmrc.gov.uk
- For capital allowances contact.capitalallowances@hmrc.gov.uk
- For employer NICs relief nics.correspondence@hmrc.gov.uk

Restriction of charitable reliefs to UK Charities

Who is likely to be affected

A small number of non-UK Charities and Community Amateur Sports Clubs (CASC) based in the European Union (EU) or European Economic Area (EEA), and their UK donors, may be affected by this change.

General description of the measure

This measure will change the tax definition of a charity or CASC. Currently charities or CASCs located in the UK, EU or the EEA could qualify for charitable tax reliefs in the UK.

The measure will change this for charities so that only those that come within the jurisdiction of the High Court in England, Wales or Northern Ireland, or the Court of Session in Scotland will qualify for UK charitable tax reliefs.

For CASCs, it will change the location condition so that the CASC must be based in the UK and provide facilities for eligible sports in the UK.

This measure takes effect from 15 March 2023 for any charity or CASC that has not asserted their status for charitable tax reliefs. For non-UK charities and CASCs that have asserted their status for charitable tax reliefs on 15 March 2023 there will be a transitional period until April 2024. From April 2024, all non-UK charities and CASCs will no longer be eligible to claim UK charitable tax reliefs.

Policy objective

This measure will ensure that UK taxpayer money only supports UK charities and CASCs, and support compliance activities for HMRC.

Background to the measure

This measure was announced at Spring Budget 2023.

Detailed proposal

Operative date

From 15 March 2023, any new applications by charities or CASCs to be recognised by, or registered with, HMRC will need to comply with the new tax definition.

From April 2024, non-UK charities or CASCs that had asserted their status for charity tax reliefs prior to 15 March 2023 will cease to be qualifying charities or CASCs for the purposes of UK charitable tax reliefs.

Current law

Current law containing the jurisdiction condition for the definition of charities for tax purposes can be found at Paragraph 2, Schedule 6 to Finance Act 2010.

For CASCs, current law containing the jurisdiction condition for the definition for tax purposes can be found at section 661A of Corporation Tax Act 2010.

Proposed revisions

Legislation will be introduced in Spring Finance Bill 2023 that will amend the Jurisdiction Condition in Paragraph 2, Schedule 6 to the Finance Act 2010 and the location condition in section 661A of Corporation Tax Act 2010 for charities and CASCs respectively.

The changes will be as follows:

The Jurisdiction condition within Paragraph 2, Schedule 6 to Finance Act 2010 will be amended to remove references to a charity being able to be located in a territory outside the UK for the purposes of qualifying for charitable tax reliefs. The effect of these will be that only a charity subject to the control of a relevant UK court will qualify as a UK charity for tax purposes.

For a CASC the change is to section 661A of Corporation Tax Act 2010 and has the effect that a CASC must be based in the UK and provide facilities for eligible sports in the UK to continue being registered as a CASC.

These changes will affect the legislative framework relating to the tax definition and eligibility for UK charitable tax reliefs.

This measure will take effect from 15 March 2023 for any charity that has not already asserted its status as a charity by that date.

For those entities that qualify under Paragraph 2, Schedule 6 to FA 2010 and have already asserted their status before 15 March 2023 there will be a transition period its affect will be as follows:

- For Corporation Tax, Value Added Tax, Inheritance Tax, Stamp Duty, Stamp Duty Reserve Tax, Stamp Duty Land (SDLT) Tax, Annual Tax on Enveloped Dwellings and Diverted Profits Tax the transition period extends access to reliefs from 15 March 2023 until 1 April 2024
- For Income Tax and Capital Gains Tax the transition period extends access to reliefs from 15 March 2023 until tax year 2024/25

For CASCs that have not already asserted their status prior to 15 March 2023 it will apply to accounting periods beginning on or after 15 March 2023. Where they met the definition of a CASC in section 661A of Corporation Tax Act 2010 and have asserted their status as a CASC the amendments apply to periods beginning on or after 1 April 2024.

Charities will be treated as having asserted their status as a charity, where immediately before 15 March 2023 the charity fell within the definition of charity in Paragraph 2, Schedule 6 to the Finance Act 2010 and at any time before that date it has made a valid claim (under any enactment) to HMRC which relied on its status as a charity.

A CASC will be treated as having already asserted its status as a CASC where immediately before 15 March 2023 it is either registered as a CASC under section 658 of Corporation Tax Act 2010, or is not registered but is entitled to be and has made an application for registration to HMRC.

For SDLT:

- Where a body of persons or trust has asserted its status as a charity, the amendments will have effect in respect of land transactions with an effective date on or after 1 April 2024, except–
  - land transactions which are effected in pursuance of a contract entered into and substantially performed before 1 April 2024, or

  - land transactions which are effected in pursuance of a contract exchanged before 15 March 2023 and which are not excluded transactions.

- Where a body of persons or trust has not asserted its status as a charity the amendments will have effect in respect of land transactions with an effective date on or after 15 March 2023 except–
  - land transactions which are effected in pursuance of a contract entered into and substantially performed before 15 March 2023,
  - land transactions which are effected in pursuance of a contract exchanged before 15 March 2023 and which are not excluded transactions.
- A transaction will be excluded where:
  - There is a variation or assignment of rights under the contract after 15 March 2023, or
  - The transaction is effected by consequence of an exercise of any options, pre-emption or similar right after 15 March 2023, or
  - On or after the 15 March 2023 there is an assignment, subsale or other transaction relating to whole or part of the subject-matter of the contract where the purchaser becomes entitled to call for a conveyance.

The amendments do not have effect in respect of interests held prior to 15 March 2023 in determining whether or not a person is:

- An 'institutional investor' for the purposes of UK Real Estate Investment Trust rules;
- An 'eligible investor' for the purposes of the Exempt Unauthorised Unit Trust rules; or
- A 'relevant qualifying investor' for the purposes of the Qualifying Asset Holding Companies regime.

Summary of impacts

Exchequer impact (£m)

2022–23	2023–24	2024–25	2025–26	2026–27	2027–28
–	nil	+5	+10	+10	+10

These figures are set out in Table 4.1 of Spring Budget 2023 and have been certified by the Office for Budget Responsibility. More details can be found in the policy costings document published alongside Spring Budget 2023.

Economic impact

This measure is not expected to have any significant macroeconomic impacts.

Impact on individuals, households and families

This measure will impact on an estimated 2,000 individuals who claim higher rate relief on donations to non-UK charities. They will no longer be able to claim higher rate relief on donations to non-UK charities. Individuals will not need to do anything as a result of this change other than be aware that future donations will not qualify for higher rate relief on donations made to non-UK charities. The charity should be able to advise them of eligibility, but they should also check prior to claiming tax relief.

This measure is not expected to impact on family formation, stability or breakdown.

This measure is expected overall to have no impact on individuals experience of dealing with HMRC as the measure doesn't change any process for applying for relief.

Equalities impacts

Around 2,000 higher rate taxpayers will not be eligible for tax reliefs on donations to non-UK charities. More men, than women will be affected by this measure due to a higher proportion of higher rate taxpayers being men.

It is not anticipated that there will be impacts on other groups sharing protected characteristics.

Impact on business including civil society organisations

This measure will have a negligible impact on an estimated 5,000 businesses by requiring them to check that any charities they donate to are qualifying charities and ensure any relief claimed is valid. This is an activity that should already be undertaken by donors for all charitable donations. One-off costs could include upskilling staff to understand the rules and familiarisation with the changes. Continuing costs could include time taken for employees to ensure that charities are recognised by HMRC. This measure is expected overall to have no impact on business' experience of dealing with HMRC as the measure doesn't change any process for applying for relief.

This measure is expected to have a negligible impact on civil society organisations. There are approximately 20 EU/EEA charities which have asserted their status for charitable tax relief with HMRC outside the jurisdiction of the High Court in England, Wales and Northern Ireland or the Court of Session in Scotland. To continue to benefit from charitable status, the measure will require charities located outside the UK to come within the jurisdiction of the UK courts. One-off costs for charities would include familiarisation with these new rules and setting up a UK presence. Ongoing costs will be the need to prepare and maintain records in line with HMRC requirements and any costs associated with dealing with HMRC enquiries. These may be mitigated as the information will already need to be prepared for the tax authority in their home country which they currently also are required to prepare in a format that HMRC accept. It is expected that most charities will make use of an agent to assist with this and HMRC provides detailed guidance on how to do this.

Of the 20 EU/EEA charities, about 10 of these charities claim Gift Aid, totalling less than £0.5m a year.

Operational impact (£m) (HMRC or other)

HMRC will incur negligible costs to deliver IT changes to support implementation of this measure.

Monitoring and evaluation

The measure will be monitored through administrative and operational data.

Further advice

If you have any questions about this change, please contact Sean Perkins, Savings and Charities Policy at email charitypolicy.taxteam@hmrc.gov.uk

Homes for Ukraine: Reliefs and exemptions from Stamp Duty Land Tax and the Annual Tax on Enveloped Dwellings

Who is likely to be affected

Companies, partnerships with corporate members, and collective investment schemes (collectively referred to as non-natural persons (NNPs)), which purchase and own UK residential property valued in excess of £500,000 and who temporarily accommodate those fleeing the conflict in Ukraine.

Local Authorities (LAs) purchasing social housing to accommodate people fleeing conflict.

General description of the measure

This measure introduces new and temporary reliefs from the Annual Tax on Enveloped Dwellings (ATED) and the 15% rate of Stamp Duty Land Tax (SDLT) where a NNP makes a dwelling available to Ukrainian refugees under the Homes for Ukraine Sponsorship Scheme ('the Sponsorship Scheme'). It also makes a change to the SDLT 'registered social landlord' exemption to ensure that LAs granted additional funding to acquire housing to accommodate those fleeing conflict (including in Ukraine and Afghanistan), benefit from this SDLT exemption.

Policy objective

This measure will ensure that those wishing to offer accommodation to Ukrainian refugees fleeing the war do not face any unfair obstacles or immediate tax burdens in the form of ATED and 15% rate of SDLT. It also ensures that all LAs in receipt of new funding from the Department for Levelling Up, Housing and Communities (DLUHC) to be used to purchase housing to accommodate those fleeing conflict, qualify for the SDLT 'registered social landlord' exemption.

Background to the measure

ATED and the 15% rate of SDLT are charged on NNPs which purchase and own an interest in UK residential property. The 15% rate of SDLT is charged on the acquisition of residential property located in England and Northern Ireland by such entities where the purchase price paid is more than £500,000. ATED is charged annually on the ownership of UK residential property valued in excess of £500,000 held by such entities.

Both taxes include a number of reliefs and exemptions aimed at certain types of use of the property (for example, in a property rental business).

On 13 March 2022 the government announced a humanitarian sponsorship scheme for those fleeing the war in Ukraine, allowing individuals, charities, community groups and businesses in the UK to sponsor Ukrainians arriving in the UK.

The government announced in a Written Ministerial Statement on 31 March 2022 that it would introduce legislation in Finance Bill to ensure that–

- relief from ATED and the 15% rate of SDLT will not be lost for those NNPs which make a dwelling available for occupation by refugees under the Sponsorship Scheme;
- where a dwelling does not currently qualify for any relief from ATED, relief will be available from the point of actual occupation of the dwelling by refugees under the Sponsorship Scheme;
- a dwelling purchased for a purpose which would otherwise be a relievable purpose will qualify for relief from the 15% rate of SDLT where it is intended that the dwelling is temporarily made available to refugees under the Sponsorship Scheme.

The Statement also made clear that the Commissioners of HMRC will not collect any tax that would otherwise be due pending enactment of retrospective legislation.

On 14 December 2022, DLUHC announced an additional £650 million 'Homes for Ukraine' support package. This included giving Councils in England an additional £500m to reduce homelessness by obtaining housing for those fleeing conflict. This additional funding is allocated under section 31 of the Local Government Act 2003 (LGA 2003).

Purchases of property by registered providers of social housing are exempt from SDLT, provided that the purchase is funded with the assistance of a specified public subsidy. As the legislation stands, not all LAs in receipt of the additional funding would qualify for the exemption from SDLT.

Detailed proposal

Operative date

The change to ATED came into effect from 1 April 2022.

For the 15% rate of SDLT, the measure applies for transactions with an effective date on or after 31 March 2022, which was the date of the Written Ministerial Statement.

For the SDLT registered social landlord exemption, the measure will come into effect for transactions with an effective date on or after 15 March 2023.

Current law

Sections 132 to 150 of Finance Act 2013 (FA 2013) make provision for reliefs from ATED.

Similarly paragraphs 5 to 5K Schedule 4A to Finance Act 2003 (FA 2003) make provision for reliefs from 15% SDLT and for withdrawal of the relief in certain circumstances.

Section 71 of Finance Act 2003 provides for an exemption from SDLT for registered social landlords purchasing social housing with the assistance of a public subsidy. A public subsidy is defined as one of those listed in section 71(4).

Proposed revisions

Legislation is introduced in Spring Finance Bill 2023 to amend FA 2003 and FA 2013 introducing new and temporary reliefs from both ATED and the 15% rate of SDLT for dwellings made available to Ukrainian refugees under the Sponsorship Scheme.

New section 133A is inserted into FA 2013 to treat an NNP which makes a dwelling available to a Ukrainian refugee under the Sponsorship Scheme, and which would otherwise be relieved from ATED on the basis that it is running a property rental business, as if it were continuing to do so. This section also provides that an NNP previously chargeable to ATED can claim relief from the charge on the days on which the property is actually occupied by a Ukrainian refugee under the Sponsorship Scheme as if it were running a property rental business.

Section 138 (property developer relief) and section 141 (property traders relief) of FA 2013 is amended to similarly ensure that entitlement to these reliefs is not lost.

New subparagraph (2A) is inserted into paragraph 5 of Schedule 4A to FA 2003 and provides that in determining whether a chargeable interest has been acquired exclusively for one or more of the existing relievable purposes, any intention to temporarily make the property available to a refugee under the Sponsorship Scheme is to be ignored.

Paragraph 5G(4) of Schedule 4A to FA 2003 is amended to provide that relief given under paragraph 5 will not be withdrawn where the dwelling is temporarily made available to a refugee under the Sponsorship Scheme.

A regulatory making power is inserted into Finance Bill 2023 enabling the government to end the reliefs from ATED and the 15% rate of SDLT on a date specified in Treasury regulations.

Section 71(4) of FA 2003 is amended to ensure that registered providers of social housing purchasing property with the assistance of the section 31 LGA 2003 funding qualify for the registered social landlord exemption.

Summary of impacts

Exchequer impact (£m)

2022–23	2023–24	2024–25	2025–26	2026–27	2027–28
nil	–15	nil	nil	nil	nil

These figures are set out in Table 4.1 of Spring Budget 2023 and have been certified by the Office for Budget Responsibility. More details can be found in the policy costings document published alongside Spring Budget 2023.

Economic impact

This measure is not expected to have any significant macroeconomic impacts.

Impact on individuals, households and families

Collectively, these measures are expected to have positive indirect impact on individuals fleeing conflict as it will facilitate the provision of accommodation for refugees.

The reliefs from ATED and the 15% rate of SDLT are not expected to have any direct impact on individuals as they apply to companies, partnerships with company members, and collective investment schemes. These temporary reliefs are not expected to impact on family formation, stability or breakdown.

Equalities impacts

It is not expected that there will be adverse effects on any group sharing protected characteristics.

Impact on business including civil society organisations

The temporary reliefs from ATED and the 15% rate of SDLT are expected to have a positive impact on a small number of businesses which make a dwelling available to Ukrainian refugees under the Sponsorship Scheme who would have lost eligibility to a relief from these charges.

The change to the registered social landlord exemption is expected to have a positive impact on approximately 90 Local Authorities as it will allow them to benefit from an exemption from SDLT when purchasing social housing with the assistance of the section 31 LGA 2003 funding.

One-off costs would include familiarisation with the new rules. There are no expected continuing costs.

Customer experience is expected to remain broadly the same as it is now because the measure does not change how customers interact with HMRC.

This measure is not expected to impact civil society organisations.

Operational impact (£m) (HMRC or other)

There are no operational impacts associated with these changes.

Other impacts

Other impacts have been considered and none have been identified.

Monitoring and evaluation

This measure will be kept under review through regular communication with DLUHC, customer engagement and from information collected in returns.

Further advice

If you have any questions about this change, please contact stamptaxes.budgetfinancebill@hmrc.gov.uk.

SPRING BUDGET 2023: POLICY COSTINGS

Charitable Reliefs: withdraw tax reliefs from non-UK charities and their donors and suppliers from April 2023

Measure description

This measure will change the tax definition of a charity or Community Amateur Sports Club (CASC), so that only those that come within the jurisdiction of the High Court in England, Wales or Northern Ireland, or the Court of Session in Scotland will qualify for UK charitable tax reliefs.

For CASCs, it will change the location condition so that the CASC must be based in the UK and provide facilities for eligible sports in the UK.

This measure takes effect from 15 March 2023 for any EU or EEA charity or CASC that HMRC has not previously accepted as qualifying for UK charitable reliefs. EU and EEA charities that HMRC has previously accepted as qualifying for reliefs on 15 March 2023 will have a transitional period until April 2024. From April 2024, EU and EEA charities and CASCs will not be able to claim UK charitable tax reliefs without coming within the new definition as set out by this measure.

The tax base

The tax base consists of the current value of these tax reliefs claimed by affected charities and CASCs. This is estimated mainly using HMRC administrative data. The tax base is projected over the forecast period using the OBR's market price GDP forecast.

Costing

The static costing reflects the loss of tax relief for charities and CASCs in scope, and their donors.

The costing accounts for a behavioural response whereby some charities and CASCs that are affected by the measure establish sufficient presence in the UK to qualify for UK tax reliefs, and donors switch some of their donations from EEA to UK charities.

Exchequer impact (£m)

	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28
Exchequer Impact	0	0	+5	+10	+10	+10

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and the behavioural response.

Stamp Duty Land Tax: amendment to the Registered Social Landlord Exemption

Measure description

This measure makes a change to the SDLT 'registered social landlord' exemption to ensure that Local Authorities (LAs) granted additional funding to acquire housing to accommodate those fleeing conflict benefit from this SDLT exemption.

This measure will be effective from 15 March 2023.

The tax base

The tax base is SDLT paid by LAs, or LA housing association partners, purchasing social housing to help accommodate people fleeing conflict using funding allocated under Section 31 of the LGA 2003, which are not already exempt from SDLT through existing legislation.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. There is a negligible behavioural impact.

Exchequer impact (£m)

	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28
Exchequer Impact	0	–15	0	0	0	0

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Customer enquiries should be directed to LexisNexis Customer Support Department, tel: +44 (0)330 161 1234; email: customer.services@lexisnexis.co.uk.

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