

# **RCT Landlord Forum**

**21st September 2017**



# Welsh Government Land Transaction Tax

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Llywodraeth Cymru  
Welsh Government

# Treth Trafodiadau Tir Land Transaction Tax

Fforwm Landlordiaid Rhondda Cynon Taf

Rhondda Cynon Taff Landlords Forum

21/09/2017

# Outline



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- Overview
- Return and Payment obligations
- Rates and Bands
- Reliefs
- Higher rates residential property transactions
- Differences to SDLT
- WRA
- Questions

# Overview



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- Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017
- Tax Collection and Management (Wales) Act 2016
- Similar to SDLT
- Will 'go live' in April 2018
- Will be collected and managed by Welsh Revenue Authority ('WRA')
- General Anti-avoidance rule

# Return and Payment Obligations



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- 30 days following effective date of transaction (the 'filing date')
- Penalties for failure to submit return on time
- Payment required by filing date
- Penalties for failure to pay on time (new)
  - 5% of unpaid tax at 30 days after the filing date (i.e. 60 days after the transaction)
  - 5 months thereafter (i.e. 6 months from due date) another 5%
  - 11 months thereafter (i.e. 12 months from due date) another 5%

# Rates and Bands



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- LTT chargeable on residential, non-residential and mixed transactions as currently in SDLT
- LTT will be a marginal tax
- There will be rates and bands for residential (and higher rates residential) and non-residential transactions
- Rates and Bands planned to be announced on 3 October as part of Welsh Budget process

# Reliefs



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- Multiple dwellings relief remains and follows SDLT model
- Alternative property finance reliefs
- Relief for certain acquisitions of dwellings
- Relief for certain transactions relating to social housing
- Charities relief (follows SDLT model)
- Group relief



# Higher rates residential transactions



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- An area where LTT differs more from SDLT than many other places, e.g.
  - Purchasing an additional interest in a main residence,
  - 30 day bridging rule for returns
  - Maintaining an interest in former matrimonial home
  - Deeds of variation for inherited property
  - ‘at the end of the day rule’ (inc. anti-avoidance rule)
  - Interim transactions
- For residential landlords rules likely to result, as currently, in higher rates being payable.

# Differences to SDLT



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- Late payment penalties
- Some rules in the higher rates (largely not relevant to residential landlords)
- A targeted anti-avoidance rule (TAAR) that covers all reliefs
- A GAAR
- Leases rules differ for leases that continue after a fixed term and for those of an indefinite term

# Welsh Revenue Authority



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The main functions of the WRA:

- collect and manage devolved Welsh taxes
- promote compliance including protecting against tax evasion and avoidance through enquiries
- provide information and assistance to taxpayers, agents, Welsh Ministers, the National Assembly
- resolving complaints and disputes relating to devolved taxes
- The WRA will be open for registration to its digital tax system in the new year and collect the devolved taxes from April 2018



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# Questions ?

# RCT Home Share Scheme

Diana Turner: Cartrefi Hafod



**Cartrefi Hafod**

**Leasing & Lettings**

# Hafod Housing Association

- Hafod Housing Association has almost 50 years experience working in the housing sector in Wales
- The property portfolio is now in excess of 4,500 properties
- We are a 'not for profit organisation' regulated by the Welsh Government



# Partnership Working

Cartrefi Hafod operates across 5 local authority areas within South and West Wales:

- Rhondda Cynon Taf
- Caerphilly
- Carmarthenshire
- Bridgend
- Vale of Glamorgan





# Partnership Working

- Cartrefi Hafod has worked in partnership with RCT since 2010
- We provide private sector properties for use as:
  - Temporary accommodation for homeless persons
  - Social lettings on affordable rents
  - Homes for Syrian refugee families
  - Shared accommodation for single persons





# Home Share Scheme

Home Share has been set up in partnership with RCT to:

- Provide permanent affordable housing for single persons
- Offer shared options for under 35's
- Bring back into use empty homes, ex student accommodation or larger properties
- Use private sector properties to ease the pressure on social housing





# What can we offer?

- A free no obligation property condition evaluation
- Assessment of your property against the Housing Health and Safety Rating System (HHSRS)
- Provision of (at no cost) a list of recommendations and advice
- Access to approved contractors who can assist





# What can we do?

Our team has vast experience in dealing with:

- Local Housing Allowance/Housing Benefit
- Rental / Utility Collection
- Recovering Rent Arrears
- Welfare Benefit and Debt Advice
- Protection of Bond Deposits
- Tenancy Management
- Legal Remedies





# What are our services?

Home Share includes the following:

- Rent Guarantee
- No costs for set up or admin fees
- Free fully managed service
- Free inventories and check in / check out reports
- Free advice and guidance

(This offer is for a 12 month period)





# What will RCT offer?

RCT will :

- Find the right tenants for your property
- Provide a settling in service in partnership with the Homeless Intervention Project support team
- Support will be provided for the individual and the home
- Provide funding if necessary for white goods
- Guarantee the rent



# Landlord Responsibilities

We expect our landlords to:

- Have a current HMO Licence
- Provide certificates and documentation
- Have landlord Insurance
- Provide household items and white goods
- Pay the Council Tax
- Pay utility bills
- Annually Pat Test electrical items





# Tenant Responsibilities

We expect our tenants to:

- To keep the house clean and tidy
- Pay weekly utility charges
- Live in harmony with other tenants
- Report repairs as soon as possible
- Not breach their tenancy
- Engage with Cartrefi Hafod and Rhondda Include







# Any Questions?





# How to contact us

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