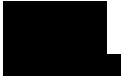
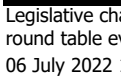
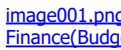


From: 
To: 
Cc: 
Subject: Legislative changes to Stamp Duty, Land Transaction Tax and Enveloped Property Transaction Tax - invitation to round table event on 26 July 2022 - 2-4pm - technical review of draft legislation
Date: 06 July 2022 10:20:48
Attachments: [image001.png](#)
[Finance\(Budget2023\)Law202- Consultation Draft - Amd 22.pdf](#)

Dear Stakeholder,

Revenue Jersey is inviting you to a roundtable session to discuss legislative changes to the rates of Stamp Duty (SD), Land Transaction Tax (LTT) and Enveloped Property Transaction Tax (EPTT) charged in respect of certain transactions.

The roundtable event has been booked for Tuesday 26th July at 2-4pm at the Bermuda Loft, Bermuda House. Spaces are limited so please only nominate one person to attend from your firm or organisation.

Bermuda House can be found past Green Street Car Park towards the roundabout; there are banners for Skills Jersey on the building exterior. What3Words: share.builder.fear

By way of background, in December 2021 the States Assembly voted to implement an additional rate of SD and LTT on buy-to-let, second homes and holiday homes by 31 December 2022. This amendment to the Government Plan was lodged by the Corporate Services Scrutiny Panel and is available [here](#).

We intend to legislate for the additional rate in the Finance Law to be lodged by the end of October and then debated by the Assembly in mid-December.

The roundtable session this month will be focused on a review of the technical detail of the draft legislation. The draft legislation amends the SD Law, the LTT Law and the new EPTT Law to implement an increased rate of tax on transactions relating to residential property that, very broadly, is not the main residence of the person acquiring the property or the relevant interest in the property.

You will see that the draft legislation does not contain a figure for the higher rate. A decision on the rate will be made by the new Treasury & Resources Minister following his or her review of the economic impact analysis undertaken for this measure.

Please review the draft legislation with the following points in mind:

Targeted measure

In order to deliver this new tax measure within the timeframe set by the Assembly, we have prioritised it over the wider Stamp Duty Review that was due to be conducted this year. With one exception, therefore, the legislative changes will fit within the existing legislative framework for SD, LTT and EPTT. That has necessarily constrained the approach to drafting in some respects. The exception is set out below under the sub-heading “Inherited properties”.

Additional properties

With a view to keeping the legislation as simple and easy to administer as possible, we have taken a conscious decision not to define buy-to-let properties, second homes and holiday homes. Instead, the higher rate of transaction is applied to all properties that are, (again, very broadly), [acquired] for a purpose other than as the main residence [of the person acquiring the relevant interest]. We think the approach that we’ve taken in the draft legislation will be effective to catch transactions relating to buy-to-let, second and holiday homes but we welcome stakeholder views.

Contracts for two or more relevant properties, including buildings subsidiary to a relevant property

The draft legislation inserts a new paragraph 2A to Schedule 1 of the SD Law. The new provision substitutes text for entry (a), paragraph 3 in item 13 and operates on the basis that a single contract which consists of two or more relevant properties, including any buildings which are subsidiary to a relevant property, are to be calculated in respect of the gross value of the transaction. This is different from how property that is not relevant property is treated for the purposes of calculating the SD when more than one property is transferred under one contract. Stakeholders' views are sought on whether this will create any difficulties, in practice.

Main residence

The legislative changes operate on the basis that a person can only hold one main residence, whether that is within Jersey or anywhere else.

Refund mechanism

The UK stamp duty legislation is much more complex than Jersey law, in part because it needs to deal with tax charges and reliefs that are not relevant in Jersey. You will see that, unlike the UK, there is no prescribed time limit within which a property must become occupied as a main residence. This approach has been taken to avoid having to create a complex and administratively difficult refund mechanism. However, existing provisions targeted at transactions that are designed to reduce or avoid the tax payable will apply to transactions structured to bypass the higher rate.

Inherited properties

The Stamp Duty Law contains existing provisions that mean that some individuals inheriting property are required to pay duty at the same rates as those purchasing property. In order to avoid adding to these anomalies, we have decided not to impose the higher rate of duty on transactions involving inherited property. We will consider a number of existing anomalies in the wider Stamp Duty review.

Amendments will also be made to the Orders prescribing the information that must be provided to Revenue Jersey to include a requirement to disclose details of a transaction that is a higher rate transaction.

Please RSVP to me, [REDACTED], by Friday 22nd July.

If you are unable to attend the session, we nevertheless welcome your comments on the draft legislation, in writing by Friday 22nd July.

You may also be aware that in April the [States Assembly](#) agreed that an options paper identifying potential mechanisms to discourage domestic properties from being left vacant for long periods should be published before the end of September. Our colleagues in Housing are leading on the options paper, with input from the Tax Policy Team on possible tax options. If you have questions or comments, please contact [REDACTED], [REDACTED] who is leading on the paper.

Regards,

[REDACTED]

Deputy Director, Domestic Tax Policy and [I WILL Steering Group member](#)

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