

2004 No.1069

TAXES

The Stamp Duty Land Tax (Amendment of Part 4 of the Finance Act 2003) Regulations 2004

<i>Made</i>	- - - -	<i>6th April 2004</i>
<i>Laid before the House of Commons</i>		<i>6th April 2004</i>
<i>Coming into force</i>	- -	<i>7th April 2004</i>

The Treasury, in exercise of the powers conferred upon them by section 50(2) and (3) of the Finance Act 2003^(a) make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Stamp Duty Land Tax (Amendment of Part 4 of the Finance Act 2003) Regulations 2004 and shall come into force 7th April 2004.

Amendment of the Finance Act 2003

2. Part 4 of the Finance Act 2003 is amended as follows.

3. In section 47(3)—

- (a) at the end of the entry relating to paragraph 5 and 6 of Schedule 4 (exchanges, partition, etc) omit “and”; and
- (b) after that entry insert the following entry—
“paragraph 17 of that Schedule (arrangements involving public or educational bodies), and”.

4.—(1) Amend Schedule 4 (stamp duty land tax: chargeable consideration) as follows.

(2) In paragraph 5 (consideration in the cases of exchanges)—

- (a) in sub-paragraph (6) omit the entry relating to paragraph 17; and
- (b) after that sub-paragraph add—

“(7) This paragraph does not apply in a case to which paragraph 17 applies.”.

(3) In paragraph 17 (determining the chargeable consideration arrangements for land transactions involving public or educational bodies)^(b)—

- (a) in sub-paragraph (1)—
 - (i) for paragraphs (a) and (b) substitute—

^(a) 2003 c. 14.

^(b) Paragraph 17 was inserted by regulation 2(5) of S.I. 2003/3293.

- “(a) there is a transfer, or the grant or assignment of a lease, of land by a qualifying body (“A”) to a non-qualifying body (“B”) (“the main transfer”),
- (b) in consideration (whether in whole or in part) of the main transfer there is a grant by A to B of a lease or under-lease of the whole, or substantially the whole, of that land (“the leaseback”).”;
 - (ii) for the words from “whether or not” to the end substitute—

“whether or not there is also a transfer, or the grant or assignment of a lease, of any other land by A to B (a “transfer of surplus land”).”;
- (b) for sub-paragraphs (3) and (4) substitute—

“(3) The following shall not count as chargeable consideration for the main transfer or any transfer of surplus land—

 - (a) the lease-back;
 - (b) the carrying out of building works by B for A; or
 - (c) the provision of services by B to A.

(4) The chargeable consideration for the lease back does not include—

 - (a) the main transfer;
 - (b) any transfer of surplus land; or
 - (c) the consideration in money paid by A to B for the building works or other services referred to in sub-paragraph (3).”;
 - (c) for sub-paragraph (5)(b) substitute—

“(b) references in sub-paragraph (1) to assignment were references to assignation.”.

Joan Ryan
John Heppell

6th April 2004

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend Part 4 of the Finance Act 2003 (c. 14: “the Act”) to make further provision in respect of the computation of chargeable consideration in respect of land transactions involving public or educational bodies.

Regulation 1 provides for the citation and commencement of the instrument.

Regulation 2 introduces the amendments.

Regulation 3 makes an amendment to section 47 of the Act consequential upon the changes to Schedule 4 which are contained in regulation 4.

Regulation 4 amends Schedule 4 to the Act. The amendments disapply paragraph 5 in the case of a land transaction to which paragraph 17 applies, and amend the manner in which chargeable consideration is computed in a case to which that paragraph applies.

These Regulations do not impose any new costs on business.

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Act 2003) Regulations 2004**

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