

STAMP DUTY LAND TAX: CUSTOMER FOCUSED IMPROVEMENTS SINCE EARLY 2005

Stamp duty land tax was implemented on 1 December 2003. Initially, SDLT returns were processed and checked manually whilst an automated process was developed and tested. Staged implementation of the automated process took place between August 2004 and May 2005. The capability to file SDLT returns online was introduced in August 2005.

The qualitative research was commissioned at a time when the automated process was still being introduced in order to obtain an early view of the impact of the new process on conveyancing solicitors.

Informed in part by the research findings, HMRC have made significant improvements to SDLT processes and the customer experience since early 2005. The range of initiatives below demonstrates a continued commitment to improving our services, the results of which are not reflected in the findings of this report.

SDLT8 Reviews

Practitioners were concerned about the high percentage of returns which were not accepted first time and which generated a request ('SDLT8') for additional information or clarification. In early 2005 this percentage was approximately 35%. HMRC analysed the reasons why SDLT 8 letters were generated. The report findings were published on 12th September 2005, together with Stamp Taxes' Business Director's letter to the Representative Bodies, including the three UK Law Societies, 26 August 2005. As a result of the review the validation of certain fields within the SDLT1 has been relaxed and improvements were made in the scanning process. As a result the exception rate reduced from 35% to approximately 15%.

At the same time a number of changes were made to reduce the compliance burden:

- Where practitioners are authorised by their clients to handle correspondence on their behalf (by completing box 59 appropriately) the client's signature is no longer required on the SDLT8.
- Where practitioners are authorised by their clients to handle correspondence on their behalf (by completing box 59 appropriately), the SDLT8 is only sent to the practitioner and not the client.

- SDLT8 responses can also be sent by fax and a further postal copy is not required. Practitioners or clients may also make amendments via the telephone.

Further reviews have been undertaken and the findings discussed with the Representative Bodies.

Stamp Taxes are currently piloting new methods of obtaining the outstanding information in those cases where it is required. The expectation is that this will further speed up the process and allow land transaction certificates to be issued more quickly.

In addition Stamp Taxes have now created an Outreach team to visit solicitors to provide education, support and encourage the use of online filing.

Online Service

The Stamp Taxes Online Service was launched on 26th August 2005 thus enabling electronic submission of SDLT returns. SDLT8s cannot be generated by electronic submission as on-screen validation prevents the user from submitting the form if information is incomplete or inaccurate. The online return has a number of benefits:

- Only those questions relevant to the specific transaction are displayed.
- The return includes interactive help for the user.
- There is no need to complete separate supplementary returns for more complex transactions.
- The user obtains an acknowledgement that the return has been received by HMRC.

Since its introduction, HMRC has continually reviewed the system and improved the online return. The improvements are very largely driven by what users of the online system tell us they need. In October 2006, 17% of SDLT returns were filed online. Since 1 November 2006, users of the Online Service receive an electronic land transaction certificate on the day the return is submitted. This addresses one of the biggest concerns of practitioners: the potential delay in receiving a paper land transaction certificate. This enhancement has been widely welcomed and a significant increase in the use of the online product is already discernible.

Working Together

Communications with representative bodies have continued to improve since the research was undertaken. In October 2005 the SDLT Working Together Steering Group was introduced (supplementing meetings with individual Representative Bodies). The group consists of

members of Stamp Taxes, Representative Bodies, practitioners and key stakeholders and is chaired by the Director of Excise & Stamp Taxes. The group meets every 3 months. Its purpose is to build on established links and provide fast track mechanisms for the identification and, where possible, anticipation of problems and issues. The key objectives are:

- to improve two way communications,
- to support HMRC Stamp Taxes' efforts to become a more customer focused organisation which is more responsive to its customers' needs,
- and to provide greater transparency around the actions it takes to resolve issues.

Sub-groups have also been formed to address issues surrounding Guidance and Communications, simplification and E-filing.

A range of initiatives are underway to improve Stamp Taxes guidance and support for customers. These include:

- Practitioners and Technical Newsletters - issued quarterly, these newsletters are designed to provide up-to-date information and advice to Practitioners with a Technical newsletter recently added for more complex information.
- Internet Development – in response to customer feedback the Stamp Taxes area of the HMRC website is being reviewed. This is being carried out in two Phases. Phase 1, completed in April 2006, includes key improvements to navigation and centralising guidance. Phase 2 will consist of a whole content review and is due to be completed in February 2007.
- Common Errors Helpcard – drafted in conjunction with Representative Bodies, this card (available on our website at <http://www.hmrc.gov.uk/so/helpcard.pdf>) advises of the most common errors made when completing the SDLT1.
- Publications Calendar (<http://www.hmrc.gov.uk/so/pub-calendar.htm>) – to advise Representative Bodies and stakeholders when Stamp Taxes guidance/publications will be reviewed and issued throughout 2006. The calendar also includes details of when drafts will be issued for comment.
- Partnership/Lease Chapters – guidance is being re-drafted.

In addition, work is underway to consider possible simplification of SDLT forms.

Stamp Taxes Helpline

The Stamp Taxes Helpline has proved very popular and has been very busy. We recognise we need to further improve the service the Helpline offers, though our ultimate objective is to reduce the need to contact us through the various initiatives above. We are currently undertaking a

review of inbound telephone calls to better inform the content of our guidance. In addition to resource inside Stamp Taxes, the Helpline is supported by St Austell Contact Centre. The Stamp Taxes Helpline team has recently been re-located to Birmingham Stamp Office as part of a re-structuring exercise to centralise work and provide a more efficient service to customers.