

Modernising Stamp Duty
on land and buildings in the UK



STAMP DUTY LAND TAX Common Errors

ISSUE 7

This issue provides details of common errors arising and some helpful hints for completing your land transaction return.

Previous issues covered

Issue 1 – the new rules and when a land transaction return should be completed

Issue 2 – how to obtain your land transaction return, where to send completed returns and how to pay Stamp Duty Land Tax

Issue 3 – transitional arrangements and self-certificates

Issue 4 – answers to frequently asked questions

Issue 5 – details of the issue of certificates and the new leaflets

Issue 6 – provided an overview of the enquiry process and advice on obtaining your Unique Property Reference Number

You can view previous issues on our website at

www.inlandrevenue.gov.uk/so/bull_news_flyers_sdlt.htm

Or on request, e-mail: msd.stampondoc@ir.gsi.gov.uk

Some common errors that have arisen and helpful hints to completing your returns

Since 1 December 2003, we have been monitoring the completed Land Transaction Returns. We have been able to process a high number of returns and issue certificates to allow title to be registered. However, it is natural that when completing a return for the first time errors and misunderstandings can arise.

To ease the changeover, we thought it would be useful to highlight some of the recurring mistakes as a reminder for you when completing the return:

- It is vital to enter the **'effective date'** in box 4 of the SDLT 1.

- Enter the **‘total consideration’** in box 10 on the SDLT1.
- Ensure a cheque is included or other option of payment has been made. Ensure the amount on the cheque agrees with the amount of tax due for the transaction and that the payslip has been completed.
- If you are paying by CHAPS, please ensure that you include the SDLT 1 reference number on the CHAPS payment instruction
- Please enter your full Hays DX address, including number and the location at box 62 to assist issue of your certificate. Practitioners in Scotland – Please only enter your DX address or full Royal Mail address. We cannot currently deliver to Legal Post addresses.
- Do not attach any documents for example lease contracts, to the SDLT1. Only the completed return is required.
- Do not send any documents relating to pre-1 December transactions. These should be sent to a Stamp Office and not the Data Capture Unit in Netherton.
- Do not send written queries to Netherton, these should be directed to a Stamp Office. Alternatively, telephone our Enquiry Line on 0845 6030135
- Do not send any completed SDLT1 form to the Accounts Office Shipley, forms should only be sent to Netherton.

Have you tried our online form?

The forms can also be completed on-screen at

www.inlandrevenue.gov.uk/so/online/welcome.htm

We have received excellent feedback from practitioners using this facility.

You can save partially completed forms and once fully completed you will need to print off for signature before posting to Netherton as well as entering a unique reference from the separate payslip.

On this website you will also have access to the stamp duty and lease duty calculators, and the Disadvantaged Areas postcode checker.

The new Stamp Duty Land Tax manual is also available on the website at:

www.inlandrevenue.gov.uk/manuals/sdlmanual/

The new SDLT leaflets are available at:

www.inlandrevenue.gov.uk/leaflets/stof.htm

The following is an amendment to the front page of issue 3

Contracts that are substantially performed on or before 10 July 2003 are not Stamp Duty Land Tax transactions. Contracts that are not substantially performed on or before 10 July 2003 are not Stamp Duty Land Tax transactions unless,

- (a) there is any variation of the contract or assignment of rights under the contract after 10 July 2003; or
- (b) the transaction is effected in consequence of the exercise after 10 July 2003 of any option, right of pre-emption or similar right; or
- (c) the purchaser under the transaction is a person other than the purchaser under the contract because of a further contract (for example a sub-sale contract) made after 10 July 2003.