



NLA Autumn Statement Briefing
Wednesday 25 November 2015

Stamp Duty – 3% surcharge on new buy to let purchases.

Investors will be charged higher rates of Stamp Duty Land Tax (SDLT) on purchases of additional residential properties (above £40,000), such as buy to let properties and second homes, from 1 April 2016.

The higher rates will be 3% above the current SDLT rates, ([which can be found here](#)) but if you buy property 40k or under it will be 0%. One penny over that and you pay the full 5% on the whole amount.

The government are planning to ‘consult’ on the policy detail. Including on whether an exemption for corporates and funds owning more than 15 residential properties is appropriate. It will not apply to purchases of caravans, mobile homes or houseboats. They will also not apply to corporates or funds making significant investments in residential property.

	Current rates	New rates with surcharge
Up to £125,000	0%	3%
The next £125,000 (the portion from £125,001 to £250,000)	2%	5%
The next £675,000 (the portion from £250,001 to £925,000)	5%	8%
The next £575,000 (the portion from £925,001 to £1.5 million)	10%	13%
The remaining amount (the portion above £1.5 million)	12%	15%

If you buy a house for £275,000, the SDLT you owe is calculated as follows:

	OLD	NEW
0% on the first £125,000	£0	£ 3750 @ 3%
2% on the next £125,000	£2,500	£ 6250 @ 5%
5% on the final £25,000	£1,250	£ 2000 @ 8%
Total SDLT	£3,750	£ 12 000

Housing Benefit - cap

There will be a cap on the the amount of rent that Housing Benefit will cover in the social sector to the relevant Local Housing Allowance, which is the rate paid to private renters on Housing Benefit.

This will include the Shared Accommodation Rate for single claimants under 35 who do not have dependent children. This will apply to tenancies signed after 1 April 2016, with Housing Benefit entitlement changing from 1 April 2018 onwards

There is a limit on Housing Benefit and Pension Credit payments to 4 weeks for claimants who are outside Great Britain, from April 2016. This reform will ensure the benefit system is not paying the rent of people who go abroad for more than 4 weeks at a time

Council Tax – new 2% Tax precept

The Chancellor announced new powers for local councils to increase social care funding through a new 2% Council Tax precept.

Online Tax Returns – online submissions by 2020

As previously announced by 2020, most businesses, self-employed people and landlords will be required to keep track of their tax affairs digitally and update HMRC at least quarterly via their digital tax account.

HMRC will ensure the availability of free apps and software that link securely to HMRC systems and provide support to those who need help using digital technology. The government will consult on the details in 2016.

Capital Gains Tax – to be repaid within 30 days

The Chancellor announced a requirement for the capital gains tax due to be paid within 30 days of completion of any disposal of residential property. This requirement will be introduced from April 2019 to ensure that HMRC's digital systems are ready to provide support, making paying this tax simpler and quicker for taxpayers.

Homelessness – increased funding

The government are increasing the funding available to invest in 'innovative' ways of preventing and reducing homelessness, including:

- protecting Department for Communities and Local Government (DCLG) funding for targeted homelessness intervention
- devolving an increased level of funding to local authorities while ending the current management fee for temporary accommodation, giving them greater flexibility to invest in preventing homelessness

All government budget documents [can be found here](#).