

STAMP DUTY

Stamp duty is essentially a charge on certain documents, not transactions. However, an equivalent tax is charged on electronic share transfers under the CREST system. From 1 December 2003, stamp duty land tax (SDLT) replaces stamp duty for land transactions, whether or not completion takes place.

The most significant duties are based on the amount of consideration.

- 0.5% duty on share transfers.
- For land transactions and lease premiums, rates, charged on the whole consideration, are:

Up to £60,000*	nil
£60,001 to £250,000	1%
£250,001 to £500,000	3%
More than £500,000	4%

*The stamp duty threshold for non-residential purchases of land increases to £150,000 from 1 December 2003.

Non-residential property transfers, and residential property transfers up to £150,000, in disadvantaged areas are exempt from stamp duty.

A special sliding scale applies to duty on rents. From 1 December 2003 SDLT will be charged at 1% on the net present value of rent over the lease term where that exceeds £60,000 (residential) or £150,000 (commercial).