

# The Welsh Revenue Authority (WRA) - the countdown to devolved taxes

Management of taxes

Tax voice



15 March 2018

Lakshmi Narain, WRA Board Member, provides a timely reminder: the introduction of the first new taxes in Wales for 800 years is only days away.

On the 1 April 2018, Land Transaction Tax (LTT) and Landfill Disposal Tax (LDT) in Wales will replace SDLT and Landfill Tax respectively. Taxpayers and their representatives are being urged to register at least 10 days in advance of the first transaction and to be aware of the transitional rules.

## **The Welsh Revenue Authority (WRA)**

The WRA came into existence last autumn and held its first Board meeting on 18 October (2017). Since then, the tax authority has taken enormous strides forward – having put in place new registration procedures, an LTT calculator, the framework of a Charter and much of the technical guidance.

### **Registration (LTT and LDT)**

Most of the Landfill Site Operators have now registered for LDT and more than 500 registrations for the LTT online tax system were recorded by early March. For LTT the registration process can, in all, take up to two weeks to complete. As there is no intention that the filing period for an LTT return will be reduced from the present 30 days, early registration is actively being encouraged.

### **The LTT calculator**

It is worth noting that the WRA's official calculator can be found on [GOV.wales](http://GOV.wales) – any others you may find on the internet have not been prepared by the WRA and your use of these is at your own risk. Please note that tax is calculated to the nearest pence – so please make sure you pay the precise amount.

### **Technical Guidance**

The technical guidance is an evolving body of material that has involved extensive input from tax professionals across Wales and England and is intended to provide support for taxpayers and their representatives. Guidance is being made available on the WRA website in the run up to 1 April (2018) and a helpdesk team is in place to support with queries. The WRA will also provide a tax opinion service.

### **Transitional**

Of particular interest, in these early stages, will be transition rules. The WRA has worked closely with partners, including HM Revenue & Customs to update guidance to support representatives through this transition period. LTT applies to transactions involving interests in land in Wales. Where a single transaction, with an effective date on or after 1 April (2018), includes the acquisition of land that crosses the Wales and England border it is treated as if it were two (or more) transactions:

- one relating to land in Wales **to be included in a LTT return to the WRA,** and
- any transaction relating to land in England or Northern Ireland **to be included in a SDLT return to HMRC.**

Comprehensive guidance dealing with a raft of scenarios is available on [GOV.wales](https://gov.wales). This guidance provides a detailed note of the basic principles and covers the full range of potential issues where a transaction has two or more elements to it.

## **Further support**

The WRA has participated in a wide range of events across Wales and England and continues to develop a range of tools for supporting taxpayers and their representatives. A recording of a presentation at the CIOT and ATT South Wales Branch by Sam Cairns, Head of Operational Delivery, is available [here](#), a full set of the presentations delivered by Isobel d'Ivergno (on LBTT / Revenue Scotland), Andrew Campbell (SDLT pitfalls) and Andrew Evans (an LTT primer) are also available on the CIOT website.