

# Welsh Revenue Authority guidance for Land Transaction Tax

Large Corporate

OMB

Personal tax

01 July 2020

**Building on an earlier paper to the Welsh Revenue Authority on attributes of good guidance, the CIOT considers the land transaction tax guidance post-implementation.**

In December 2017, the CIOT, LITRG and ATT set out attributes of effective guidance that we hoped would assist the Welsh Revenue Authority (WRA) in the development of tax guidance and digital systems ready for April 2018. More than two years have passed since the successful implementation of land transaction tax (LTT) and landfill disposals tax (LDT). Comments received from our members on the WRA's guidance have been very positive. The LTT guidance is well developed with regular updates. It includes meaningful examples and illustrations, including the diagrams in the higher rates for purchases of residential property: technical guidance. The summary of main differences between LTT and stamp duty land tax (SDLT) is valuable.

Building on the earlier submission, the CIOT has made the following suggestions to enhance the existing guidance:

- Greater use of embedded links between the subject-matter guides to allow for easier cross-reference, and hyperlinks to the fully updated devolved Welsh legislation.
- Highlighting the relevance, or otherwise, of decisions on SDLT to LTT and WRA practice (noting the need to point out the different context, even if the wording of the legislation is the same). This might be effected via guidance and/or a communication strategy to alert stakeholders.
- There are limited references in the current WRA guidance to the extent to which a user of the guidance can rely upon it. The question of reliance is an area that could be further developed by the WRA in line with the WRA Charter standards and the recommendation of the Office of Tax Simplification (OTS) in

*Guidance for taxpayers: a vision for the future.* (OTS Recommendation 11: HMRC should undertake a consultation on the circumstances in which a taxpayer can rely on published guidance and the extent to which a taxpayer will be subject to interest, penalties and the tax in dispute where guidance is found to be incorrect.)

- Our strong preference is for archived guidance to be easily accessible on the website (without the need for a specific request) with the caveat that it is clearly designated as archived and the dates during which it reflected the WRA's view are readily apparent.
- We reiterate that dating of all guidance should be the default position.
- The ability to provide feedback is clearly positive. In the interests of encouraging and directing feedback, we suggest that an indication of which of the two current feedback routes is best for the purposes of (i) general comment and (ii) for technical feedback would be helpful.

The [CIOT's submission](#) can be viewed on the CIOT website.

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