

# Buyers beware: warnings over SDLT proposals

## Briefings

28 March 2022

ATT and CIOT have both expressed support for a clamp down on stamp duty land tax (SDLT) avoidance around mixed-use properties but warned that HMRC's proposals could create new problems.

Jon Stride, Co-Chair of ATT's Technical Steering Group, said: 'Buyers of mixed-use property should prepare themselves for additional costs and complexity. Apportionment is likely to increase SDLT on the residential elements of a mixed-use property because residential SDLT rates are higher, and there is increased likelihood of higher rates of tax for additional dwellings.'

Marc Selby, Chair of CIOT's Property Taxes Committee, said: 'HMRC's plan will remove unfairness in the system because currently a country estate could pay a lower rate of SDLT, just because it has some small commercial element, than a three-bedroom semi-detached property in London. But the problem is that HMRC's proposed method of apportionment brings in other types of unfairness, resulting in a disproportionately high SDLT cost for a relatively low value residential property bought with commercial property, say a valuable farm with a modest house or an office block with a caretaker's flat.'

ATT and CIOT's comments came as the bodies submitted responses to HMRC's consultation on these proposals in late February.