

Guidance Note – Land Transaction Tax

- **Establishing Value for calculating LTT**
- **Completion of Land Transaction Tax forms where the property is not the buyer’s main residence and a claim of financial hardship is made**

Finance (Budget 2023) (Jersey) Law 202- introduced higher rate Land Transaction Tax (“LTT”) charges (essentially 3% above the “basic” charge) where the buyer (“occupier” as defined in the 2009 LTT Law) of a property does not use that property as their main residence. The main exemption to this higher rate charge is where the buyer is acquiring that property as part of stock in trade for a property trading business.

The Government is conscious that some unique or peculiar circumstances are arising, for example because of the delayed construction of dwellings during ‘lockdown’. Consequently, some practices and concessionary treatments have been agreed.

As a result, when [completing Land Transaction Tax forms](#), please note the following.

Step 4 - value of property applicable to Land Transaction Tax

The value of a transaction for LTT purposes is the higher of the amount of consideration payable under the transaction or the gross value of the land to which the transaction relates. Paragraph 1 of the Schedule to the Taxation (Land Transactions) (Jersey) Law 2009 (“LTT Law”) states that gross value for these purposes is equal to market value.

However, where all the conditions below are met, the value of the property at Step 4 of the form can be declared as the amount payable under the original transaction contract.

The conditions are:

- The land subject to the transaction is or will be occupied for domestic purposes only.
- The sale and purchase contract:
 - Cannot be assigned by the buyer; and
 - Includes enforceable clauses whereby a deposit payable by the buyer is forfeited, and/or liquidated damages are payable by the buyer in the event the buyer does not complete the transaction.
- The consideration payable under the transaction contract has been fixed at a specified amount which was at or above market value at the time the contract was entered into.
- The transaction contract was made on or after 1 January 2017.

Step 5 – claim for concession treatment - to defer payment of the ‘additional Land Transaction Tax’ due (Buy-to-Let etc.)

By concession, the Comptroller will agree that the buyer can defer payment of the ‘additional LTT’ payable for up to three months after the date of the transaction to which the LTT charge relates, provided all of the following conditions are met:

- The buyer is purchasing a residential dwelling.
- The buyer has, or will complete, the transaction between 1st January 2023 and 31st March 2023.
- The buyer entered into a binding contract before 17th December 2021. (This was the date at which the States Assembly decided to impose the additional higher rate from 2023.)
- The buyer (“occupier”) makes a complete return to Revenue Jersey, and agrees to pay, and does pay, the equivalent of the basic rate of LTT (i.e. without the 3%-point uplift) within 28 days of the transaction.

For these purposes, the ‘additional LTT’ payable is the difference between the LTT payable per Paragraph 5 of the Schedule to the LTT Law and the basic amount of LTT payable per Table B of Paragraph 2 of the Schedule to the LTT Law.

To claim concessionary treatment

Please include the statement “*Payment deferral concession claim*” in the “Additional comments” section of Step 6 of the LTT form, together with *the amount of LTT due that the buyer wishes to defer for up to three months* (the maximum amount that can be deferred being the additional LTT payable as noted above).

Please note the concession only defers the payment of the additional LTT due. The basic amount of LTT payable (per Table B) remains due and payable by the normal due date under the LTT Law.

It is the buyer’s responsibility to ensure that the outstanding LTT charge is paid to the Comptroller of Revenue within 3 months of the transaction date. If the basic LTT charge and/or the additional LTT payable is not each paid by the 2 respective due dates, the buyer will be subject to the 10% late payment surcharge in respect of the late-paid LTT.

Notwithstanding the fact that the buyer is claiming concessional deferment of some of the LTT payable, the completion of the LTT form will be considered to meet the conditions of Article 4 of the LTT Law (Duty to deliver statement and pay LTT) and will not delay the issue of an LTT receipt (see also the concession ‘Confirmation that statement can be used in lieu of the LTT receipt’ at: [Land transaction tax concessions and practice](#)).

Revenue Jersey

11 January 2023