Solicitor Guide

bellhowleyperrotton

# When Conveyancing Work Becomes SDLT, LTT or LBTT Advice

*Recognising when a routine SDLT return requires specialist analysis, protecting your client and keeping the transaction moving.*

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A practical guide for Heads of Conveyancing, COLPs, CQS Senior Responsible Officers and property practitioners.



**A GUIDE TO RECOGNITION, NOT SELF-ASSESSMENT**

This guide is designed to help teams identify when specialist SDLT analysis is required. It is not a substitute for advice on the facts of a transaction.

# Why should you read this guide?

Every conveyancing team eventually faces the same apparently simple question:

**“Which SDLT, LTT or LBTT rate applies, and can we rely on the figure?”**

For many transactions, completing the SDLT return is routine. The risk appears when the answer depends on more than the purchase price. Ownership, residence, debt, company or trust structures, property classification, linked transactions, leases, reliefs, exemptions and timing can all affect the amount due and the way the return is completed.

The challenge is not to turn conveyancers into specialist tax advisers. It is to recognise when a filing task has moved into client-specific tax analysis - before exchange, completion or filing leaves fewer options.

**Early specialist input helps you:**

- Test the assumptions behind the calculation before they are built into the return.
- Identify rate, surcharge, exemption and relief issues while the transaction can still be structured and documented correctly.
- Reduce fee-earner time spent researching unfamiliar or rapidly changing provisions.
- Create a clear file record of the facts, assumptions and advice relied upon.
- Give the client a joined-up service while your team retains control of the conveyancing matter.
- Provide a consistent escalation route for junior fee earners and unusual transactions.

**PURPOSE OF THIS GUIDE**

This guide is not intended to teach SDLT or to suggest that every transaction should be referred. It is designed to help property teams recognise when a specialist SDLT Advice Note would provide a safer, clearer answer.

**You remain the trusted adviser and continue to lead the transaction. Bell Howley Perrotton provides the defined specialist tax input.**

# Completing the return and giving SDLT, LTT or LBTT advice - why the boundary matters

Completing an SDLT, LTT or LBTT return can involve more than transcribing facts. A client-specific conclusion about the nature of the property, the purchaser, chargeable consideration, the applicable rates and the availability of a relief or exemption is tax analysis. Calling the work “administration”, or asking the client to approve the return, does not change the substance of what has been done.

## Three practical points

- **Substance over label.** A disclaimer should define the retainer and explain when specialist advice will be required, but it cannot undo advice that has in fact been given.

- **Scope, competence and supervision.** Firms need a clear distinction between routine work and matters requiring escalation, supported by current training, effective supervision and adequate and appropriate insurance arrangements.

- **Registration is not the same as competence.** Administrative permission to interact with HMRC does not certify technical expertise in complex SDLT, LTT or LBTT, confer permission to act before WRA or Revenue Scotland, or expand a firm’s agreed scope of work.

**2026 COMPLIANCE UPDATE**

- HMRC registration: a legal entity that is paid to interact with HMRC about another person’s tax affairs will generally need an Agent Services Account. Sending returns or claims, providing documents, making payments and corresponding with HMRC are within the published examples. Existing Agent Services Account holders do not register again, and individual employees do not register separately.
- Separate SRA AML position: HMRC registration is distinct from determining whether a firm provides “tax adviser services” within the Money Laundering Regulations 2017 and from any notification or approval obligations owed to the SRA.
- The main registration window opened on 18 May 2026 with a three-month transition period; staged dates apply to certain categories of adviser. Each firm should confirm its own position before interacting with HMRC.

**PRACTICE POINT**

The useful compliance message is no longer “Are you a tax adviser?” It is: “Is the firm correctly registered and supervised, is the work within scope, and is the person giving the answer competent to do so?”

# The conversations that should make you pause

| | |
|---|---|
| "The calculator says the Tax is £X." | A calculator applies inputs. It does not decide whether the property is residential, mixed or non-residential, who is treated as the purchaser, whether transactions are linked, or whether a special rule applies. |
| "It is only a transfer between spouses or civil partners." | A gift may produce no chargeable consideration, but mortgage debt, other consideration or the legal route can change the outcome. Different rules apply to certain transfers connected with separation or divorce. |
| "The property is uninhabitable, so non-residential rates apply." | Disrepair is not enough. A building can require extensive works and still retain the character of a dwelling. The published threshold is deliberately high and evidence must be tested. |
| "The client is replacing their main residence." | The date and nature of the disposal matter. Higher rates, replacement tests, repayment periods and claim routes differ across SDLT, LTT and LBTT. |
| "There are six flats, so the answer is obvious." | Six-or-more treatment exists across the regimes, but SDLT MDR has been abolished while LTT and LBTT retain separate reliefs. Linked, mixed, higher-rate and ADS interactions are not identical. |
| "The company is buying it." | Companies generally fall within the higher-rate regime. A 17% SDLT single rate may apply to certain acquisitions of dwellings over £500,000, subject to statutory reliefs and exemptions. Wales applies LTT higher residential rates; Scotland applies LBTT and potentially 8% ADS. |
| "We can correct the return later." | An SDLT return is generally due within 14 days of the effective date, LTT and LBTT within 30 days. Amendments are usually limited to 12 months from the filing date, with rules differing for LTT and LBTT and a late correction does not remove client, interest, penalty or professional-risk consequences. |

**REFERRAL TRIGGER**

If the SDLT, LTT or LBTT answer could change the tax payable, the legal route, the documents, the price, the timing or the decision to proceed, obtain specialist input before the return is filed - and preferably before the parties become committed to the route.

# When a standard calculation is not enough

Not every matter is complex. The following facts are strong indicators that a short scoping conversation would be worthwhile:

| Area | Examples that should trigger a pause |
|---|---|
| Purchaser and ownership | A company, trust, partnership or non-UK purchaser; several purchasers; spouses or connected parties; beneficial ownership differing from the title; a minor or life tenant with an interest. |
| The property | Mixed residential and non-residential use; land, grazing, rights, parking, annexes or outbuildings; multiple titles or six or more dwellings; a claim that a property is not suitable for use as a dwelling. |
| The transaction and consideration | Transfers of equity; mortgage debt or other liabilities; linked transactions; options, sub-sales, exchanges or consideration in kind; new leases, variations, surrender and regrant; shared ownership staircasing. |
| Rates, reliefs and exemptions | SDLT or LBTT first-time buyer relief; replacement of a main residence; SDLT higher and non-UK rates; LTT higher rates; LBTT ADS; company rules; MDR, divorce, estate, charity or reconstruction reliefs. |
| Filing, evidence and deadlines | Late changes before completion; uncertainty over values or apportionment; incomplete ownership history; an intended refund or relief claim; an amendment or repayment request; facts that need survey, valuation or documentary evidence. |

## Three examples in practice

**Transfer of equity with a mortgage:** No cash changes hands, but the incoming owner assumes liability. The specialist question is whether debt is chargeable consideration and which rates apply.

**Six dwellings after MDR:** SDLT Multiple Dwellings Relief was abolished from 1 June 2024, subject to transitional rules. The six-or-more rule may produce non-residential treatment, but the transaction still needs to be classified correctly. LTT and LBTT retain separate reliefs; the Welsh minimum tax increased to 3% on 13 February 2026. Six-or-more treatment, linked transactions, mixed property, higher rates and ADS must be analysed under the applicable regime.

**A seriously dilapidated house:** Pests, asbestos, disconnected services and substantial repairs do not automatically make the property non-residential. The evidence must be tested against the very high statutory threshold. Mudan [2025] EWCA Civ 799 confirms the high SDLT threshold. LTT and LBTT have their own legislation and guidance; the SDLT case is not automatically binding on WRA or Revenue Scotland.

### CURRENT RATES SNAPSHOT

- **SDLT:** standard residential nil-rate band £125,000; eligible first-time buyers 0% to £300,000 on purchases up to £500,000; additional rates +5 points.
- **LTT:** main residential nil-rate band £225,000, no separate first-time buyer relief, and separate higher rates.
- **LBTT:** nil-rate band £145,000, first-time buyer band £175,000, and ADS 8%. SDLT's 2% non-UK surcharge and 17% corporate rate have no direct LTT or LBTT equivalent.

# The advice your legal team can use

The right output depends upon the question. We agree the scope at the outset so the client pays for the analysis the matter actually needs.

## Focused pre-completion scoping

Where the issue is narrow, an initial review can identify the documents and facts required, confirm whether a full written opinion is proportionate and flag any point that needs to be resolved before exchange or completion.

## Specialist SDLT, LTT or LBTT Advice Note

**For a defined property transaction, our written Advice Note may include:**

- An executive summary written for the legal team and client.
- The relevant legal and beneficial ownership, purchaser status and transaction history.
- Analysis of residential, non-residential or mixed classification.
- The chargeable consideration, including mortgage debt, liabilities and non-cash consideration.
- The applicable SDLT, LTT or LBTT standard, higher, corporate, ADS and non-UK resident rates.
- Relevant reliefs, exemptions and anti-avoidance provisions within the agreed scope.
- The calculation, filing position, assumptions, evidence gaps and practical next steps.
- Deadlines for filing, amendment, repayment or a future refund claim.

### THE OUTCOME

The legal team receives a reasoned written conclusion, with the clients consent which can be retained on file and used to complete the transaction. The Advice Note records the facts, assumptions and limitations behind the position taken.

### PRACTICE POINT

A good land transaction tax policy does not require automatic referral of every routine purchase. It defines the facts and limits for routine SDLT, LTT and LBTT work, territory-specific checklists, competence and supervision, escalation triggers, evidence standards and responsibility for returns, amendments and claims.

# Working with Bell Howley Perrotton

Our role is not to replace your relationship with the client. It is to support it. We work alongside property solicitors within a clearly agreed scope and keep the legal team informed throughout.

## How instruction works

| Step | Stage | What happens |
|---|---|---|
| 1 | Scope the questions | Send us a short summary of the transaction, the proposed route and the points the legal team needs answered. |
| 2 | Confirm the engagements | We complete conflicts and onboarding, identify the client, agree the scope and confirm the fixed fee and anticipated timetable before work begins. |
| 3 | Gather the evidence | We identify the title, contract, lease, ownership history, valuations, debt, company or trust information and other documents required. |
| 4 | Analyse the position | We test classification, consideration, rates, reliefs, exemptions, linked transactions, evidence and deadlines within the agreed scope. |
| 5 | Report and explain | You receive the written conclusions and practical filing or implementation points, followed by a discussion where required. |

## Why conveyancing teams involve us

- You continue to lead the client relationship and conveyancing strategy.
- The scope of the legal and tax work is clearly defined.
- The file contains a reasoned written tax conclusion, not merely a calculator output.
- Your team spends more time on the transaction and less time researching unfamiliar tax provisions.
- The client receives specialist input as part of one joined-up service.
- The firm gains a consistent escalation route for unusual, high-value or disputed matters.

**START WITH ONE MATTER**

Before the next non-standard transaction is committed or filed, send us a short outline of the parties, the property, the consideration and the point that needs to be resolved. We will confirm the appropriate scope, fee and timetable before substantive work begins.

# Who we are

## Amanda Perrotton - Partner

Amanda is a solicitor with almost 30 years' experience, a full member of STEP (TEP) and a member of the Stamp Taxes Practitioners Group. She regularly advises clients and professional advisers where tax, property, trusts, family wealth and professional risk intersect, and is known for making difficult technical issues practical and understandable.

## Simon Howley - Managing Partner and Chartered Tax Adviser

Simon is a Chartered Tax Adviser specialising in property and private-client tax matters.

His work includes SDLT, LTT and LBTT, company and partnership structures, incorporations, reliefs, exemptions and HMRC enquiries. His approach is direct, forensic and focused on giving clients and professional advisers a route they can use.

**OUR APPROACH**

You remain the trusted adviser. We provide the specialist analysis that helps you explain the position clearly, complete the transaction with confidence and maintain a consistent risk boundary.

# Speak to us about a matter


## Amanda Perrotton

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## UK land transaction tax comparison

The location of the land selects the tax: SDLT for England and Northern Ireland, LTT for Wales and LBTT for Scotland. The purchaser cannot choose the regime, and a transaction spanning territories may need apportionment and separate returns.

### Current headline differences

- **SDLT:** standard residential nil-rate band £125,000; first-time buyers' relief gives 0% to £300,000 and 5% on the balance to £500,000 where all conditions are met; additional-dwelling rates are five percentage points above standard; a 2% non-UK resident surcharge and the Schedule 4A 17% higher-threshold rate can apply.
- **LTT:** main residential nil-rate band £225,000, followed by 6%, 7.5%, 10% and 12% bands. Wales has no separate first-time buyer relief, no SDLT-style non-resident surcharge and no Schedule 4A 17% single corporate rate. Higher residential rates use a separate Welsh rate table.
- **LBTT:** standard residential nil-rate band £145,000, followed by 2%, 5%, 10% and 12% bands. First-time buyer relief extends the nil-rate band to £175,000, saving up to £600. Additional Dwelling Supplement is 8%. There is no SDLT-style non-resident surcharge or 17% single corporate rate.

Rates and thresholds can change. Company, partnership, trust, spouse, connected-person, replacement-home and overseas-ownership tests must be checked under the selected regime rather than translated from an SDLT calculator.

### Multiple dwellings and six-or-more transactions

- SDLT Multiple Dwellings Relief was abolished for most transactions with an effective date on or after 1 June 2024, subject to limited transitional contracts.
- LTT retains Multiple Dwellings Relief under the 2017 Welsh Act, Schedule 13. The Land Transaction Tax (Modification of Relief for Acquisitions Involving Multiple Dwellings) (Wales) Regulations 2026 (WSI 2026/40) increased the minimum tax from 1% to 3% of the dwelling consideration from 13 February 2026, subject to detailed transitional protection.
- LBTT retains Multiple Dwellings Relief under the 2013 Scottish Act, Schedule 5 Part 4 and a minimum prescribed amount; Revenue Scotland updated its guidance on 24 July 2026.

Six or more dwellings acquired in one transaction can receive non-residential treatment, but the interaction with MDR, higher rates or ADS, mixed property, linked transactions and portfolios differs by regime. It is not an automatic one-line answer.

### Property condition and current case law

Mudan and another v HMRC [2025] EWCA Civ 799, upholding [2024] UKUT 307 (TCC), is binding SDLT authority and confirms the very high threshold for a former dwelling to be unsuitable for use as a dwelling. Renovation, missing facilities, asbestos, pests, disconnected services and repairable structural defects are not decisive by themselves; see HMRC SDLTM00385.

LTT and LBTT use their own statutory language and published guidance. Mudan may be informative where wording and facts are comparable, but it is not automatically binding on WRA, Revenue Scotland or the devolved tribunals. Evidence must address the property's objective character and condition at the effective date.

### Returns, amendments and refunds

- **SDLT:** return and payment generally within 14 days of the effective date under Finance Act 2003 section 76; usual amendment window 12 months after the filing date.
- **LTT:** return and payment generally within 30 days under the 2017 Welsh Act section 44, with Welsh amendment, repayment and higher-rates refund rules.
- **LBTT:** return and payment generally within 30 days under the 2013 Scottish Act section 29; amendment generally within 12 months. For relevant post-1 April 2024 replacement cases, the previous main residence can be disposed of within 36 months, with repayment through the statutory amendment or overpayment-claim route.

A refund agent's promise does not extend a statutory time limit or shift responsibility from the buyer. Preserve the filed return, contract, title, lease, finance, survey, photographs, valuation and ownership evidence before making a claim.

### Leases and other legal issues

Lease premiums, rent, net present value, linked leases, variations, assignments and substantial performance are treated under separate provisions in each regime. Scottish non-residential leases can also require three-year review, assignation and termination returns. Options, rights, sub-sales, shared ownership, charities, alternative finance, group relief and reconstruction relief require territory-specific analysis.

An SDLT judgment is not automatically an LTT or LBTT precedent. Cross-border title, beneficial ownership, lender, planning, VAT, capital allowances and anti-avoidance issues should be coordinated with the return.

## Technical sources and important note

- Finance Act 2003 sections 55, 57B, 76 and 116; Schedules 4A, 4ZA, 6ZA and 9A; former Schedule 6B and the Finance (No. 2) Act 2024 abolition provisions.
- HMRC SDLTM00070, SDLTM00385, SDLTM09505, SDLTM09795, SDLTM29805 and SDLTM50100; HMRC residential rates, corporate bodies and repayment guidance.
- Mudan and another v HMRC [2025] EWCA Civ 799, upholding [2024] UKUT 307 (TCC).
- Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 sections 24–27 and 44, Schedules 5 and 13; WSI 2026/40; WRA rates, higher-rates, MDR, leases and returns guidance.
- Land and Buildings Transaction Tax (Scotland) Act 2013 sections 24 and 29, Schedules 2A, 4A and 5 Part 4; Revenue Scotland LBTT3048, LBTT4004, LBTT4010, ADS, MDR and leases guidance.
- SRA Code of Conduct and SRA guidance for tax advisers in scope of the money-laundering regulations; HMRC MTAR10800 where an adviser interacts with HMRC.

**This guide provides general information only and is not legal or tax advice. It reflects law, rates, published guidance and reported decisions checked on 18 August 2026. Every matter depends on its facts, documents, territory and implementation; SDLT authorities do not automatically determine LTT or LBTT.**