

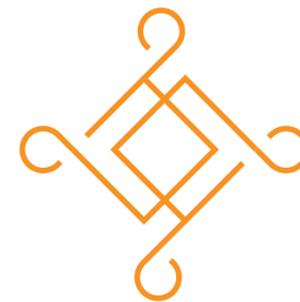


STAMP DUTY & LAND TAX GUIDE

WWW.CAPEXTAX.COM

INTRODUCTION

There are over 40 tax reliefs available to purchasers. Our role is to advise our clients which tax reliefs are available on their acquisitions to ensure the correct level of stamp duty is paid.





ABOUT OUR COMPANY

We are a property tax team advising companies and individuals of the correct level of stamp duty payable on acquisitions.

WHY DO BUYERS OVERPAY?

1

At present, 1 in 4 Stamp Duty Land Tax returns are calculated Incorrectly. This is mainly due to HMRC's online 'guide' calculator not being detailed enough to assess purchasers' circumstances.

2

Many purchasers expect guidance from their solicitor. In fact, solicitors are only appointed to collect SDLT on behalf of HMRC and not advising on it. Solicitors are legal professionals who are asked to give tax advice which creates an advice vacuum.

3

Solicitors, Estate Agents and buyers alike don't know where to turn for Property Tax advice which usually results in higher levels of tax being paid without applying the correct tax reliefs.



PROPERTY DEVELOPER FACT SHEET

Stats:

- 1 in 2 Property Developers transactions are calculated incorrectly.
- Typically, on a £2.5m site acquisition, SDLT is charged at £288,750. With the correct tax reliefs, the amount of SDLT due is £75,000.

Summary:

It's estimated that in excess of £2bn is overpaid each year to HMRC.



RESIDENTIAL PROPERTY FACT SHEET

Stats:

- 1 in 4 transactions overpay
- In 2020, over 1 million homes were sold in the UK.
- Typically, on a £1.5m house purchase, SDLT is charged at £93,750. With the correct tax reliefs, the amount of SDLT due is £45,000.

Stamp Duty Land Tax Simple Guide

THINGS TO LOOK OUT FOR:



Site with Planning or Permitted Development Rights

Example: Acquisition price £1,290,000

Stamp duty payable £111,450

Correct stamp duty payable £47,000

Savings £64,450



House with an annexe or granny flat

Example: Purchase price £1,000,000

Stamp duty payable £43,750

Correct stamp duty payable £30,000

Savings £13,750

Stamp Duty Land Tax Simple Guide

THINGS TO LOOK OUT FOR:



Purpose built accommodation
or HMO purely for students

Example: Purchase price £500,000

Stamp duty payable £30,000

Correct stamp duty payable £15,000

Savings £15,000



Purchasing out of probate,
exempt from stamp duty

Example: Purchase price £1,000,000

Stamp duty payable £73,750

Correct stamp duty payable £0

Savings £73,750

Stamp Duty Land Tax Simple Guide

THINGS TO LOOK OUT FOR:



Retail units with access to flats above

Example: Purchase price £1,500,000
Stamp duty payable £64,500
Correct stamp duty payable £24,900
Savings £39,600



House that needs substantial improvements

Example: Purchase price £1,000,000
Stamp duty payable £73,750
Correct stamp duty payable £39,500
Savings £34,600

Stamp Duty Land Tax Simple Guide

THINGS TO LOOK OUT FOR:



Houses with access to; land, woodland, farmland, public footpath, pylons, stables, barns etc.

Example: Purchase price £1,500,000

Stamp duty payable £93,750

Correct stamp duty payable £64,500

Savings £29,250

TESTIMONIALS BY OUR CLIENTS

“ Really pleased my solicitor recommended Cap Ex Associates. Great Saving! ”

“ Extremely simple, thank you Adam from the tax team! ”

“ Our conveyancing team uses Cap Ex as a support network every week. Excellent! ”



Kindly contact us for more
information

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