



Llywodraeth Cymru
Welsh Government

GUIDANCE

Higher rates of Land Transaction Tax

Find out if you must pay higher rates of Land Transaction Tax (LTT) when you buy residential property in Wales.

Part of: [Land Transaction Tax \(https://www.gov.wales/land-transaction-tax\)](https://www.gov.wales/land-transaction-tax)

Organisation: [Welsh Revenue Authority \(https://www.gov.wales/welsh-revenue-authority\)](https://www.gov.wales/welsh-revenue-authority)

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Help and support

For residential property, there are 2 rates of LTT: main and higher. This guide outlines when and why the higher rates of tax apply.

You can also use our **higher rates checker** (<https://www.gov.wales/check-if-you-need-pay-higher-rate-land-transaction-tax>) to help you work out which rate of LTT applies to your residential purchase.

The Welsh Government sets the **tax rates** (<https://www.gov.wales/land-transaction-tax-rates-and-bands>).

When you do not have to pay LTT

You will not have to pay LTT if you:

- buy a property for less than £225,000 and you do not own any other property
- buy a new lease for less than 7 years

When the higher rates apply

You'll usually pay higher LTT rates when both of the following apply:

- you buy a residential property worth £40,000 or more, and
- you already own 1 or more other properties (see below)

Include any residential property:

- you hold on behalf of children aged under 18 (parents are treated as owners, even if the property is held through a trust and they're not the trustees)
- you've an interest in as the beneficiary of a trust

Companies must pay higher rates for any residential property they buy if:

- property is £40,000 or more
- interest they buy is not subject to a lease which has more than 21 years left

Transfers of equity are also within the scope of higher rates.

If you're married or in a civil partnership

The rules apply to both of you as if you were buying the property together, even if you're not.

If higher rates apply to either of you individually, higher rates apply to the transaction as a whole.

Buying with someone else

The rules apply to each person buying the property (and their spouse).

If higher rates apply to any of you individually, higher rates apply to the transaction as a whole.

When the higher rates do not apply

You'll not usually pay higher rates if:

- you use your new property as your main home and have sold the last main home you owned before you buy your new home (or on the same day), or
- any of the following apply to the property you're buying:
 - is worth less than £40,000
 - a mixture of residential and **non-residential space** (<https://www.gov.wales/land-transaction-tax-non-residential-mixed-use-property-guide>) (like a shop with a flat above it)
 - is 'moveable' like a caravan, houseboat or mobile home
 - a freehold property with a lease on it which has more than 21 years left to run, held by someone unconnected to you

When and how to get a refund

If you sell your previous main home within 3 years of buying your new main home, you can usually **apply for a refund** (<https://www.gov.wales/claim-refund-land-transaction-tax-higher-rates>).

This refund is the difference between the higher and main rates amounts. You can use our **tax calculator** (<https://www.gov.wales/land-transaction-tax-calculator>) to help work this out.

If you buy a new main home but have not yet sold your old main home, higher rates will still apply to the transaction.

You cannot get a refund if:

- you or your spouse/civil partner still own any part of your previous main home
- higher rates still apply for any other reason

A longer period for the sale of your previous main residence may apply in certain situations. For further information on this longer period use our **higher rates technical guidance** (<https://www.gov.wales/higher-rates-purchases-residential-property-technical-guidance>).

Reliefs and exceptions

You may qualify for a relief that reduces the amount of LTT you pay or an exception, so you do not have to pay.

If you:

- buy more than 1 property, you may be eligible to claim **multiple dwellings relief** (<https://www.gov.wales/land-transaction-tax-relief-multiple-dwellings-guide>)
- buy a property that consists of 2 or more dwellings, the **subsidiary dwelling exception** ([/higher-rates-purchases-residential-property-technical-guidance#5219](https://www.gov.wales/higher-rates-purchases-residential-property-technical-guidance#5219)) may apply

If you're buying 6 or more properties, you can usually choose to pay either:

- non-residential rates of LTT
- higher rates of LTT with multiple dwellings relief

How to amend an LTT return

If you believe you've submitted your LTT return with the incorrect rate of LTT or any other mistake, use our amendment form to **amend your LTT return**

(<https://www.gov.wales/amend-land-transaction-tax-return>).

Help and support

Higher rates are a complex area of the tax. This guide does not cover all scenarios and should not be solely relied upon to work out if you must pay any tax.

For a more detailed explanation, or if you're uncertain how the tax applies:

- use our **higher rates technical guidance** (<https://www.gov.wales/higher-rates-purchases-residential-property-technical-guidance>)
- watch our **short explainer videos on higher rates** (https://www.youtube.com/playlist?list=PLomRz15Bk0zEmgjq9p_bmTqvmuskUXoZ_)
- you may want to check with a solicitor or conveyancer
- **contact us** (<https://www.gov.wales/welsh-revenue-authority/contact-us>)

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Land Transaction Tax (<https://www.gov.wales/land-transaction-tax>)

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- **Pay Land Transaction Tax** (<https://www.gov.wales/pay-land-transaction-tax>)
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- **Check if you need to pay the higher rate of Land Transaction Tax** (<https://www.gov.wales/check-if-you-need-pay-higher-rate-land-transaction-tax>)

