**What rate will I have to pay?**

As the price you pay for a new property increases, so do the rates of stamp duty. You pay a percentage of the cost, and the rate payable leaps up at a set of thresholds.

**What stamp duty rate will I pay?**

| **PURCHASE PRICE** | **STAMP DUTY RATE** |
| --- | --- |
| **Up to £125,000** | 0% |
| **£125,000.01 - £250,000** | 1% |
| **£250,000.01 - £500,000** | 3% |
| **£500,000.01 - £1,000,000** | 4% |
| **£1,000,000.01 - £2,000,000** | 5% |
| **£2,000,000.01 +** | 7% |
| *Correct at June 2014* | |

Stamp duty is charged on the entire purchase price of a property.

Before Gordon Brown's time in charge of the nation's finances stamp duty was a flat rate of one per cent above £60,000.

Additional levels were added of 1.5 per cent above £250,000 in 1997 and two per cent above £500,000.

As house price inflation took off, Mr Brown decided to cash in further by raising the tax again to three per cent above £250,000 and four per cent above £500,000 in 2000.

The 1 per cent initial level was raised to its current threshold at £125,000 in March 2006.

George Osborne raised stamp duty to five per cent above £1million in 2011 and seven per cent above £2million in 2012.

Despite the punitive nature of the higher bands, they have never risen with the huge house price inflation seen since their introduction.

If stamp duty thresholds had risen in line with average property inflation since 1997, as measured by the Land Registry's quarterly house price figures, they would be:

1% - £382,000

3% - £765,000

4% - £1,530,000

Read more: http://www.thisismoney.co.uk/money/mortgageshome/article-1633417/Stamp-duty-calculator-How-pay-property.html#ixzz3JH3TsqZT

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