

Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill

Stage 2 Government amendment: Clarification of amendments 17 and 18

Table A1 below relates to amendments 17 and 18 tabled by Mark Drakeford on 11 January, and illustrates the changes to this table. The amended table will be inserted into section 122 of the Tax Collection and Management (Wales) Act 2016. It introduces the penalties for devolved taxes, which includes Land Transaction Tax and Landfill Disposals Tax, and makes changes to the date on which liability to a late payment penalty will arise where an amount has not been paid following a WRA assessment and where an amount of tax is payable following an amendment or correction to a tax return. A number of minor drafting changes have also been made to ensure consistency with drafting used elsewhere in the table.

This table is provided in this instance as a guide to provide further clarification to Members as to where the changes have occurred.

Amendment of Table A1

Table A1

Item	Devolved tax	Amount of tax	Penalty date	Description of change
1	Land transaction tax	Amount (or additional amount) payable as a result of a tax return made by the buyer in a land transaction (unless the amount falls within item 86 or 97).	The date falling 30 days after the filing date for the return.	<i>(Item 1 on existing table)</i> References to items 6 and 7 in column 3 have been revised to reflect re-numbering of items on amended table.
2	<u>Landfill disposals tax</u>	<u>Amount stated in a tax return.</u>	<u>The date falling 30 days after the filing date for the return.</u>	<i>(New item – amendment 18)</i> New item introduced to provide for a late payment penalty in relation to

				non-payment of an amount of landfill disposal tax stated in a tax return.
3	<u>Any devolved tax</u> Land Transaction Tax	Amount payable as a result of a WRA determination made in place of a tax return that WRA has reason to believe the buyer was required to make.	The date falling 30 days after the date by which WRA believes the tax return was required to be made.	<i>(Item 2 on existing table)</i> Column 2 updated to extend item to include any devolved tax. Minor drafting change in column 3 to maintain consistency with other items in table.
4	<u>Any devolved tax</u> Land Transaction Tax	Amount (or additional amount) payable as a result of a WRA assessment made in <u>place of relation to a land transaction where the buyer has made</u> a tax return in relation to that transaction (unless the amount falls within item <u>78</u>).	The date falling 30 days after the <u>date by which WRA believes the tax return was required to be made</u> filing date for the return.	<i>(Item 4 on existing table)</i> Column 2 updated to extend item to include any devolved tax. Minor drafting changes in columns 3 and 4 to remove superfluous words and maintain consistency with other items in table.
5	<u>Any devolved tax</u> Land Transaction Tax	Amount (or additional amount) payable as a result of a WRA assessment made <u>where in relation to a land transaction where the buyer has not made</u> a tax return <u>has been made in relation to that transaction</u> (unless the amount falls within item <u>8</u>).	The date falling 30 days after the date by which <u>the amount (or additional amount) is required to be paid</u> WRA believes a tax return in relation to that land transaction was required to be made.	<i>(Item 3 on existing table)</i> Column 2 updated to extend item to include any devolved tax. Minor drafting change in column 3 to remove superfluous words and maintain drafting consistency with other items in table.

				Column 4 amended to change the late payment penalty date from the date falling 30 days after the filing date for the return to 30 days after the date by which the amount (or additional amount) is required to be paid under section 61(2) TCMA.
6	<u>Any devolved tax</u> Land Transaction Tax	Amount (or additional amount) payable as a result of an amendment or correction to of a tax return (unless the amount falls within item 9) .	The date falling 30 days after the <u>date by which the amount (or additional amount) is required to be paid</u> filing date for the return.	<p><i>(Item 5 and 9 on existing table)</i></p> <p>Column 2 updated to extend item to include any devolved tax.</p> <p>Minor drafting change in column 3 to maintain drafting consistency with other items in table.</p> <p>Column 4 amended to change the late payment penalty date from the date falling 30 days after the filing date for the return to 30 days after the date by which the amount (or additional amount) is required to be paid under section 56(2) LTTA (if LTT) or section 41(2) LDTA (if LDT).</p> <p>Note: Item 6 applies where a tax advantage is counteracted under Part 3A TCMA by amending a tax return in a closure notice issued by WRA under section 50 TCMA.</p>

7	<u>Any devolved tax</u>	<u>Amount (or additional amount) payable as a result of a WRA assessment made for the purposes of making an adjustment to counteract a tax advantage (see Part 3A) in a case where a tax return which WRA has reason to believe was required to be made has not in fact been made.</u>	<u>The date falling 30 days after the date by which the amount (or additional amount) is required to be paid.</u>	<p><i>(New item – replaces item 8 on existing table)</i></p> <p>Where an amount of tax (or an additional amount) is required to be paid as a result of a WRA assessment made for the purposes of counteracting a tax advantage under Part 3A TCMA (<i>General anti-avoidance rule</i>), the late payment penalty date is the date falling 30 days after the date by which the amount of tax (or additional amount) is required to be paid under section 61(2) TCMA.</p> <p>Note: Item 6 applies where a tax advantage is counteracted under Part 3A TCMA by amending a tax return in a closure notice issued by WRA under section 50 TCMA.</p>
8	Land transaction tax	Where a deferral request is made under section 57 of LTТА, a deferred amount required to be paid by virtue of section 60(1) of LTТА.	The date falling 30 days after the date by which the deferred amount <u>is required to must be paid in accordance with section 60(1) of LTТА.</u>	<p><i>(Item 6 on existing table)</i></p> <p>Minor drafting changes in column 4 to remove superfluous words and maintain consistency with other items in table.</p>
9	Land transaction tax	Where a deferral request is made under section 57 of LTТА, a refused amount within the	The date falling <u>after the end of the period of 30 days after beginning with</u> the date <u>by on</u>	<p><i>(Item 7 on existing table)</i></p> <p>Minor drafting changes in column 4</p>

		meaning of section 60(2)(a) of LTTA.	which <u>the refused amount is required to be paid</u> WRA issues notice of its decision under section 59 of LTTA.	to remove superfluous words and maintain consistency with other items in table.
10	<u>Landfill disposals tax</u>	<u>Amount charged by a charging notice issued under section 48 or 49 of LDTA.</u>	<u>The date falling 30 days after the date by which the amount is required to be paid.</u>	<i>(New item)</i> New item introduced to provide for a late payment penalty in relation to non-payment of an amount of landfill disposal tax charged by a charging notice issued under section 48 or 49 LDTA.
	Any devolved tax	Amount required to be paid in accordance with a WRA assessment made for the purposes of making an adjustment to counteract a tax advantage (see Part 3A).	The date falling 30 days after the date by which the amount is required to be paid in accordance with section 61.	Item 8 in existing table deleted and replaced with new item 7 (above).
	Any devolved tax	Amount required to be paid as a result of an amendment of a tax return made for the purposes of making an adjustment to counteract a tax advantage (see Part 3A).	The date falling 30 days after the date on which the notice of amendment is issued by WRA.	Item 9 in existing table deleted as replaced with new item 6 (above).
11	Any devolved tax	<u>A postponed amount within the meaning of section 181G(2).</u> Amount treated as a	The date falling 30 days after the <u>date on which</u> end of the postponement period <u>ends</u>	<i>(Item 10 in existing table)</i> Minor drafting changes in columns 3

		postponed amount by virtue of section 181G.	(see determined under section 181G as to the calculation of postponement periods).	and 4 to remove superfluous words and maintain consistency with other items in table.
	Any devolved tax other than land transaction tax	An amount specified by the Welsh Ministers in regulations.	The date specified by the Welsh Ministers in regulations.	Item 11 in existing table deleted and replaced with regulation-making power provided by amendments 19 and 22.