# SDLT: changes to the filing and payment process

**Indirect Tax**

01 November 2016

The CIOT responded to the ‘Stamp duty land tax: changes to the filing and payment process’ consultation that followed the announcement at Autumn Statement 2015 that the SDLT filing and payment period will be reduced from the current 30 days to 14 days after the effective date of the transaction (to be implemented during 2017-18 with the exact date to be confirmed)

Where the sum payable for a property is contingent or uncertain, an application for deferment of SDLT will also have to be done within the 14 days rather than the current 30 days.

The CIOT recognised that for a straightforward residential sale and purchase transaction, filing the return and making payment within 14 days should not present difficulties, particularly as good practice usually dictates that the preparation of the draft return is done at an early stage in the conveyancing process. Nevertheless 14 days (which includes non-working days) will significantly shorten the time available to file and pay before a fixed penalty is incurred, particularly over bank holiday periods. It is possible that the shortened period will lead to an increase in appeals against fixed penalties levied under the current system although we noted that a new approach to penalties under the Making Tax Digital initiatives will inform the approach to penalties for late filing of SDLT returns.

We thought the shortened period will present difficulties for firstly, complex commercial transactions requiring detailed enquiries to establish the information required for the return and secondly, for deferment applications in the case of contingent or uncertain consideration that have to be made by the filing date.

A suggestion to meet the difficulties involved in a shortened filing period, at least in part, is to designate the 14 days as 14 working days. Furthermore, ideally the

reduction to 14 days might be balanced by a conclusion to the Valuation Office Agency review of the rating data such that rating information is not required to be entered on the SDLT forms at all, but is collected by other means.

We also suggested that that the application process to defer to payment of SDLT (in the case of uncertain or contingent consideration) is decoupled from the return filing deadline with the return merely confirming that a deferment application is being/has been.

The full CIOT submission can be found on the CIOT website.