

# Stamp Duty Land Tax and Stamp Duty: Relief for NHS Bodies

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## Who is likely to be affected?

NHS Trusts, NHS Foundation Trusts, Primary Care Trusts, The NHS Commissioning Board and clinical commissioning groups, Local Health Boards in Wales, and Health and Social Services Boards in Northern Ireland.

## General description of the measure

This is a technical measure which re-enacts and updates an existing stamp duty land tax (SDLT) relief for acquisitions of interests in land by certain NHS bodies. It repeals an equivalent stamp duty relief, which is obsolete.

## Policy objective

The objective of this measure is to re-enact this relief in a simplified and more robust form and to take into account forthcoming changes in the pattern of NHS service provision.

## Background to the measure

This measure has not been previously announced. It will simplify the tax system as the existing relief is unduly complex and arguably defective.

The relief also needs to be updated to take account of the introduction of NHS Commissioning Board and clinical commissioning groups, and the abolition of NHS trusts in England and Primary Care Trusts, under provisions of the Health and Social Care Bill.

## Detailed proposal

### Operative date

The measure will have effect from when Finance Bill 2012 receives Royal Assent.

### Current law

The SDLT and stamp duty reliefs are currently contained in section 61(3)-(3C) National Health Service and Community Care Act 1990, as amended by the Stamp Duty Land Tax (Consequential Amendment of Enactments) Regulations 2005 (S.I. 2005/82). Section 58 National Health Service Act 2006 extends the reliefs to NHS Foundation Trusts.

Paragraphs 132-133 of Schedule 1 National Health Service (Consequential Provisions) Act 2006 amend section 61(3) to refer to NHS Trusts constituted under the National Health Service Act 2006 and the National Health Service (Wales) Act 2006. This amendment applies to section 61(3) as it stood before it was amended by S.I. 2005/82. It is therefore defective and the provision still refers to Trusts constituted under the 1990 Act.

### Proposed revisions

Legislation will be introduced in the Finance Bill 2012 to re-enact the SDLT relief in a new section 67A Finance Act 2003 (Part 4 Finance Act 2003 is the main SDLT legislation). It will repeal Sections 61(3)-(3C) National Health Service and Community Care Act 1990, section

58 National Health Service Act 2006 and paras. 132-133 of Schedule 1 National Health Service (Consequential Provisions) Act 2006.

New section 67A will provide relief for acquisitions by the NHS Commissioning Board and clinical commissioning groups provided for by the Health and Social Care Bill, NHS foundation trusts, NHS trusts and Local Health Boards in Wales, and Health and Social Services trusts in Northern Ireland.

Pending abolition of the bodies concerned under the Health and Social Care Bill, new section 67A will provide relief for acquisitions by NHS trusts in England and by Primary Care Trusts.

### Summary of impacts

Exchequer impact (£m)	2011-12	2012-13	2013-14	2014-15	2015-16
	-	nil	nil	nil	nil
	The measure is not expected to have an Exchequer impact.				
<b>Economic impact</b>	There is no significant economic impact because the scope of the re-enacted relief reflects existing policy.				
<b>Impact on individuals and households</b>	None. This relief applies only to prescribed NHS bodies.				
<b>Equalities impacts</b>	We are aware of no evidence that suggests any impact on people with protected characteristics.				
<b>Impact on business including civil society organisations</b>	This measure will have no impact on businesses as it applies only to prescribed NHS bodies. There will be no impact on the compliance costs for those affected as the change reflects existing policy.				
<b>Operational impact (£m) (HMRC or other)</b>	No additional costs will be incurred. No process changes are involved.				
<b>Other impacts</b>	No other impacts have been identified.				

### Monitoring and evaluation

This measure will be subject to ongoing monitoring of information collected from land transaction returns.

### Further advice

If you have any questions about this change, please contact Keith Brown on 020 7147 2790 (email: keith.brown@hmrc.gsi.gov.uk).

## 1 Health service bodies

- (1) In Part 4 of FA 2003 (stamp duty land tax), after section 67 insert –
  - “67A Acquisitions by certain health service bodies**
  - (1) A land transaction is exempt from charge if the purchaser is any of the following –
    - (a) the National Health Service Commissioning Board;
    - (b) a clinical commissioning group established under section 14D of the National Health Service Act 2006;
    - (c) an NHS foundation trust;
    - (d) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006;
    - (e) a National Health Service trust established under section 18 of that Act;
    - (f) a Health and Social Services trust established under the Health and Personal Social Services (Northern Ireland) Order 1991.
  - (2) Any relief under this section must be claimed in a land transaction return or an amendment of such a return.”
- (2) The following provisions are repealed –
  - (a) section 61(3) to (3C) of the National Health Service and Community Care Act 1990 (stamp duty and stamp duty land tax reliefs for health service bodies);
  - (b) section 58 of the National Health Service Act 2006 (which applies those stamp duty and stamp duty land tax reliefs to NHS foundation trusts);
  - (c) paragraphs 132 and 133 of Schedule 1 to the National Health Service (Consequential Provisions) Act 2006.
- (3) The repeals in subsection (2), to the extent that they relate to stamp duty, have effect in relation to any instrument executed on or after the day on which this Act is passed.
- (4) Subject to that, the amendments made by this section have effect in relation to any land transaction of which the effective date is, or is after, the day on which this Act is passed.
- (5) Until such time as bodies of a kind mentioned in subsection (6) are abolished under the Health and Social Care Act 2011, section 67A of FA 2003 has effect as if the list in that section included bodies of that kind.
- (6) Those bodies are –
  - (a) a National Health Service trust established under section 25 of the National Health Service Act 2006, and
  - (b) a Primary Care Trust.

**EXPLANATORY NOTE**

**HEALTH SERVICE BODIES**

**SUMMARY**

1. This clause re-enacts an existing stamp duty land tax (SDLT) relief for acquisitions of interests in land by certain National Health Service bodies. It updates the list of bodies to which the relief applies and repeals the existing SDLT relief and its equivalent stamp duty relief, which is obsolete.

**DETAILS OF THE CLAUSE**

2. Subsection (1) introduces a new section 67A Finance Act 2003, which provides relief from SDLT for acquisitions by certain health service bodies listed in that subsection.
3. Subsection (2) provides for repeal of existing provisions which are now superseded by the new section 67A.
4. Subsection (3) provides for commencement of the repeal provisions in respect of stamp duty.
5. Subsection (4) provides for commencement of the remaining provisions.
6. Subsection (5) provides for the relief to apply to certain bodies until bodies of that kind are abolished under the Health and Social Care Act 2011.
7. Subsection (6) sets out the bodies to which subsection (5) applies.

**BACKGROUND NOTE**

8. Section 61(3) to (3C) National Health Service and Community Care Act 1990 (as amended by the Stamp Duty Land Tax (Consequential Amendment of Enactments) Regulations 2005 (S.I. 2005/82)) provides SDLT and stamp duty reliefs for acquisitions by National Health Service Trusts, Primary Care Trusts, Local Health Boards in Wales and Health and Social Services Trusts in Northern Ireland. Section 58 National Health Service Act 2006 extends the reliefs to NHS Foundation Trusts.
9. Paragraphs 132-133 of Schedule 1 National Health Service (Consequential Provisions) Act 2006 amend section 61(3) to refer to

NHS Trusts constituted under the National Health Service Act 2006 and the National Health Service (Wales) Act 2006. This amendment applies to section 61(3) as it stood before it was amended by S.I. 2005/82. It is therefore defective and the provision still refers to Trusts constituted under the 1990 Act.

10. This clause therefore re-enacts the SDLT relief, in the main SDLT legislation in Part 4 Finance Act 2003, and repeals the existing SDLT and Stamp duty reliefs (the latter is obsolete).
11. The clause extends relief to the National Health Service Commissioning Board and clinical commissioning groups established under provisions of the Health and Social Care Act [2011]. It provides for relief to apply to National Health Service Trusts in England and to Primary Care Trusts only until those bodies are abolished under other provisions of that Act.
12. If you have any questions about this change, or comments on the legislation, please contact Keith Brown on 0207 147 2790 (email: [keith.brown@hmrc.gsi.gov.uk](mailto:keith.brown@hmrc.gsi.gov.uk)).