

PUMP COURT
TAX CHAMBERS

Pupillage at the Tax Bar

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PUMP COURT TAX CHAMBERS

Overview of the Webinar

1. Introduction to Pump Court Tax Chambers, the Tax Bar and Pupillage (James Rivett QC and Laura Ruxandu)
2. Case Study (Charles Bradley and Barbara Belgrano)
3. Questions (Richard Vallat QC)

Introduction

Case Study: Facts

1. Miss Bell purchased an 8-bedroom house in the countryside for £2m. This dispute concerns the amount of stamp duty land tax (“**SDLT**”) that Miss Bell must pay on that purchase.
2. In front of the house, at the top of a long driveway, there is an ornamental garden. The rest of the house is surrounded by a large garden with a swimming pool. The garden is surrounded by a tall hedge, which screens the house and garden from neighbours and passers-by.

Case Study: Facts

3. On the third floor of the house there is an apartment with one bedroom (en suite) and a small kitchen-living area. There is a door in the side of the house which leads to a staircase which gives access only to the apartment.
4. There is also an internal staircase from the second floor of the house to the apartment, but the previous owner always kept the door to the internal staircase locked. Miss Bell intends to do the same. She plans to use the apartment when guests come to stay.

Case Study: SDLT

1. SDLT is a tax paid by a purchaser upon the purchase of an interest in land.
2. Generally, one transaction attracts one rate of tax on the total consideration (although this is calculated on a slice system so the first £125,000 has a rate of 0%, £125,001 = £250,000 has a rate of 5%, £250,000-£925,000 is 5%, £925,001 to £1,500,000 is 10% and the rest is 12%).
3. However, a special relief is available where the transaction involves purchasing more than one dwelling. This is known as multiple dwellings relief.
4. Where multiple dwellings relief is available, the applicable rate of tax is determined by dividing the total consideration by the number of dwellings

Case Study: SDLT

5. Multiple dwellings relief was introduced because there was a concern that developers or potential landlords would not be willing to buy blocks of flats if the applicable rate depended upon the total consideration for the block.

Case Study: SDLT

The following statutory definition applies for the purposes of multiple dwellings relief:

“A building or part of a building counts as a dwelling if—

- (a) it is used or suitable for use as a single dwelling, or*
- (b) it is in the process of being constructed or adapted for such use.”*

There is no statutory definition of a “single dwelling”.

Case Study: case law

- *Fiander v HMRC* [2020] UKFTT 189 (9 April 2020)

Questions

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Thank you for attending our webinar.

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