



**ACKROYD**

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**A guide to:  
Stamp Duty Tax Relief**

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# Stamp Duty Explained.

Stamp Duty Land Tax (SDLT) is applicable when the value of a property exceeds certain specific thresholds as set out by HMRC.

It's important to note that certain transactions may qualify for reliefs that either reduce the amount of tax to be paid or potentially exempt the buyer from paying any Stamp Duty altogether.

Stamp Duty relief comes in all shapes and sizes, and its ultimate aim is to support and incentivise certain types of property transactions which, in turn, help to fuel more growth within the economy by allowing property and land to be purchased at a faster pace.

These reliefs are designed to provide financial rebates or exemptions in specific circumstances, taking into account various factors such as:

- Property Type
- Intended Use
- Buyer's Eligibility

**Approximately  
1 in 4 property  
purchases in the UK  
are miscalculated  
for Stamp Duty.**

At Ackroyd Legal, we have partnered with one of the market leaders for recovering overpaid stamp duty. Stamp Duty Land Tax (SDLT) is paid to the government when purchasing land and property in England. The rates and thresholds for SDLT have seen numerous changes in recent times and are constantly evolving.

**Click [here](#) to check your eligibility**



# Types of Stamp Duty Exemptions & Reliefs.

There's approximately 50 exemptions and reliefs when it comes to property tax in the UK. Below, we highlight some of the key areas we focus on for our clients

## Uninhabitable Relief

This allows buyers to pay a lower rate of SDLT or even reclaim part of the already paid tax if the property they purchased is deemed unfit for living.

## Mixed-use

Whilst not a specific relief, property is considered "mixed-use" if it contains both residential and non-residential elements, for example, a shop with a flat above it. If eligible, MDR can then be applied.

## Probate Relief

This relief aims to ease the financial burden on beneficiaries inheriting property and encourage them to keep and use it as a residence.

## Group Relief

This allows companies within the same group to offset certain losses of some member companies against the profits of others, reducing their overall tax liabilities.



# What is Uninhabitable Relief?

This relief allows buyers to pay a lower rate of SDLT or even reclaim part of the already paid tax if the property they purchased is deemed unfit for living.

## Key points about Uninhabitable Relief

It can significantly reduce the SDLT cost, sometimes leading to a full refund

HM Revenue & Customs (HMRC) provides assessment forms to determine eligibility

The relief applies to residential properties purchased (not commercial)

Claim deadlines must be within 4 years of the property purchase

It's not guaranteed and requires proving the property meets the "uninhabitable" criteria

## Who qualifies?

**Purchasers of residential properties deemed unfit for living due to:** Lack of basic functionalities (e.g., plumbing, heating)

**Severe structural issues** posing safety risks

**Extensive repair needs** surpassing normal renovation requirements

## What are the benefits?

**Reduced SDLT rate:** Potentially pay a lower rate compared to the standard residential rate

**Full SDLT refund:** Possible in some cases if HMRC declares the property "uninhabitable" at the time of purchase

## What are the requirements?

**Evidence of uninhabitability:** Requires providing comprehensive documentation and justification to HMRC, often involving official assessments

**Meeting claim deadlines:** Submitting the claim within specific timeframes is crucial

For further information, please call our team on **0203 058 3363** or click [here](#) to request a call back



## What is **Mixed-use**?

A property is considered “mixed-use” if it contains both residential and non-residential elements, for example, a shop with a flat above it.

### Key points about Mixed-use

There’s no “mixed-use relief” itself, but how you pay SDLT depends on the property composition

SDLT rates differ between residential and non-residential properties. While residential properties have different tiers and reliefs, nonresidential ones have a simpler, fixed-rate structure

### Who qualifies?

**Anyone purchasing a property with both residential and non-residential elements** (e.g., shop with flat above)

### What are the benefits?

**Reduced SDLT rate:** Potentially pay a lower rate compared to using non-residential rates for the entire property

### What are the requirements?

**Accurate valuation and apportionment:** Requires expertise to determine the value of each portion (residential and nonresidential) accurately

**Professional advice:** We strongly recommend speaking with one of our tax specialists due to the complexities involved



## What is **Probate Relief**?

This relief aims to ease the financial burden on beneficiaries inheriting property and encourage them to keep and use it as a residence.

### Key points about Probate Relief

Known as ‘Main Residence Relief for Probate Properties’

This can be claimed alongside other reliefs you might be eligible for

Claiming the relief involves submitting specific forms and documentation to HMRC

Claim deadlines must be within a 3 year period

Rules and regulations can change, so it’s crucial to check for any updates before relying on this information for your specific situation

### Who qualifies?

**Buyers:** Direct descendants of the deceased (spouse, child, grandchild) who intend to live in the property as their main residence

**Property:** Residential property that was the deceased’s main residence for at least some point in the two years before their death

**Purchase:** Must be purchased from the deceased’s personal representatives (e.g., executors)

### What are the benefits?

**Reduced SDLT rate:** Applicable instead of the standard rates based on purchase price

**Full exemption:** Possible in some cases, effectively meaning no SDLT needs to be paid

### Probate Relief: The Requirements

**Buyer must intend to live in the property as their main residence:** Must occupy the property within 3 years of purchase and for at least one year continuously

**Claim within 3 years of purchase:** Cannot claim relief after this deadline

**Evidence needed:** Documents like death certificate, probate documents, and proof of residency as the buyer’s main residence

For further information, please call our team on **0203 058 3363** or click [here](#) to request a call back

# What is **Group Relief**?

Group relief acts like a tax-sharing scheme for companies in the same group. Think of it as one company “gifting” its losses to another to collectively benefit.

## Key points about Group Relief

Consult a qualified tax advisor or accountant for guidance due to complexities and potential exceptions

Some countries might have limited or different variations of group relief

Each type of loss might have specific eligibility criteria and limitations

Rules and regulations can change, so staying updated is important

## Who qualifies?

**Companies within the same group:** This means one company is a 75% subsidiary of another, or both are 75% subsidiaries of a third company

**Losses:** Specific types of losses, like trading losses, capital allowances, and sometimes donations, can be surrendered

**Profitability:** The receiving company must be profitable to utilise the surrendered losses

## What are the benefits?

**Reduced overall group tax liability:** By offsetting losses from one company against profits of another, the group pays less tax overall

**Improved cash flow:** Profitable companies benefit from lower tax payments, potentially freeing up cash flow

**Encourages investment and expansion:** Profits from one venture can support others within the group

## What are the requirements?

**Claim submission:** Follows specific regulations and deadlines

**Documentation:** Detailed records and proof of losses are required

**Anti-avoidance measures:** Regulations aim to prevent misuse and ensure genuine losses are being used

# How can you apply for a refund?

You can get started in just a few simple steps and, if you're eligible, you can expect to receive your refund in as little as 8 - 12 weeks.

1

## Check your eligibility for a refund

It takes just 5 minutes from start to finish. All we need is the basics and one of our experts will let you know if you're likely to qualify for a refund.

2

## Gather paperwork for your claim

We'll provide a personalised checklist and assist you in gathering the necessary documents for a smooth application and we'll also liaise directly with your solicitor to ensure it's a seamless process.

3

## Submit your claim to HMRC

Our team's in-depth knowledge of SDLT regulations makes sure to avoid any pitfalls, helping to significantly increase your chances of a successful and stress-free refund.

4

## Receive your refund in 8-12 weeks

We constantly monitor your claim's progress and keep you informed throughout the process. On average, our clients typically receive their stamp duty refund from HMRC within 8-12 weeks.

For further information, please call our team on **0203 058 3363** or click [here](#) to request a call back



# FAQ's.

## Do I qualify for a stamp duty refund?

It depends on the specific circumstances of your property transaction. We offer a free eligibility check where you can provide details like property type, purchase price, previous main residence status, and property purchase date. Our system will check against HMRC's rules and give you an initial indication of your potential refund claim.

Due to the complexity of stamp duty regulations, a detailed review by our experts is recommended for a definitive answer. Our team are recognised as one of the UK's leading SDLT specialists and can analyse your situation and confirm eligibility with confidence.

## How much will be refunded to me if I am eligible?

The potential refund amount depends on various factors like the purchase price, property type, and application tax bands. While our online calculator provides a rough estimate, a precise figure requires a thorough assessment by our specialists.

We'll analyse your specific details and provide a clear picture of your potential refund before you proceed.

However, as a rough guideline, the average stamp duty refund is approximately £15,000.

## What documents do I need to submit?

We'll guide you through the entire process and request the necessary documents based on your specific case. However, some common documents typically required include:

- SDLT return copy
- Property purchase contract
- Completion statements
- Survey report(s) and images of defects on the property
- Any invoices to support the remediation works carried out on the property

We'll provide a personalised checklist and assist you in gathering the necessary documents for a smooth application and we'll also liaise directly with your solicitor to ensure it's a seamless process, every step of the way.

## Can I apply for a stamp duty refund myself, or do I need help?

While technically possible, the complexities of stamp duty refunds can be time-consuming, challenging, and potentially costly.

If not filed correctly, mistakes can lead to delays, rejections, or even penalties. Our team's in-depth knowledge of SDLT regulations, efficient processes, and direct communication with HMRC can significantly increase your chances of a successful and stress-free claim.

## Fees

We charge you nothing upfront but take a small percentage (30% + VAT) of your total rebate once your claim is successfully settled.



## Want to know more? We're here to help.

For more information call our expert legal team on **020 3058 3365** between the hours of **9am to 5:30pm**

We can check your eligibility for a refund in just a couple of minutes.

### Contact Us



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