



Hillier Hopkins LLP
Chartered Accountants and Tax Advisers
hillierhopkins.co.uk

HillierHopkins

“friendly expertise”



Budget 2020

2% surcharge for non-residents purchasers

From 1 April 2021 the purchase of residential property in England and Northern Ireland by non-UK resident individuals, or companies, will be subject to an additional 2% surcharge. The surcharge will be applied on top of any other Stamp Duty Land Tax (“SDLT”) liability. For example, even if a purchaser is clearly subject to the 3% surcharge as the property is a second home or buy to let property, the 2% surcharge will still be applied on top, resulting in an additional 5% of SDLT.

A purchaser will be classed as non-resident if they meet the relevant conditions in the 12 month period prior to completion. To add to the complexity, a purchaser could be UK resident for income or corporation tax purposes in a tax year but be a non-resident under SDLT rules.

The surcharge will not apply to non-residential and mixed-use properties.

It is therefore extremely important to ensure a property is correctly classified as residential and to review a purchaser’s residency status before completion.

For a assistance
please contact:

Natasha Heron
Tax Manager
+44(0)192 363 4460
Natasha.heron
@hhllp.co.uk

Meeten Nathwani
Principal
+44(0)192 363 4474
Meeten.nathwani
@hhllp.co.uk

Liam Henry
Principal
+44(0)192 363 4416
Liam.henry
@hhllp.co.uk

Offices

London
Milton Keynes
Watford

Registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.

This newsletter is written for general interest only and is not a substitute for consulting the relevant legislation or taking professional advice. The authors and the firm cannot accept any responsibility for loss arising from any person acting or refraining from acting on the basis of the material included herein.