ZERO-CARBON HOMES RELIEF FROM STAMP DUTY LAND TAX

Introduction
1. On 7 December 2007 the Stamp Duty Land Tax (Zero-Carbon Homes Relief) Regulations 2007 (S.I. 2007/3437) came into force. This was followed, on 13 August 2008, by The Stamp Duty land Tax (Zero carbon Homes Relief) (Amendment) Regulation 2008 (SI 2008/1932). These are regulations, which apply throughout the UK, are designed to ‘kick-start’ the construction of net zero-carbon houses that are highly energy-efficient.

The role of the Building Standards Division of the Scottish Government
2. Building Standards Division (BSD) assists with the administration of these regulations in Scotland, on behalf of Scottish Ministers. The role of BSD is to facilitate assessment of a dwelling and determine whether or not it is a zero-carbon home as defined by regulation 5 of the regulations. Thereafter, BSD will arrange, as appropriate, for a zero-carbon home certificate to be issued by an accredited assessor to the vendor of the dwelling. BSD will not at any time be involved with the financial aspects of these regulations, for example, the scope of the relief or the claiming of relief. Questions on any financial aspect should be directed to HM Revenue and Customs – contact details are given at the end of this guidance note.

Procedure and criteria for arranging an assessment
3. Application for a zero-carbon home assessment is to be made in writing and directly to BSD - contact details are given at the end of this guidance note. The application should be made at least 30 working days* in advance of the projected date of first acquisition. The applicant’s contact details and full postal address of the building should be included with the application. Within 5 working days* BSD will advise on who will carry out the assessment and the person to whom the information identified in paragraph 7, below, must be sent.

4. Applicants should ensure that the subject of an application meets the three aspects of energy efficiency in the table to regulation 5 of the Stamp Duty Land Tax (Zero-Carbon Homes Relief) Regulations 2007.

5. The calculations for each dwelling must be carried out using SAP assessment software approved by the Department of Communities and Local Government. There are tables of approved software applications (SAP 2009) at: www.communities.gov.uk/publications/planningandbuilding/noticeapproval. A list that is updated on a more frequent basis can be found at http://www.bre.co.uk/sap2009/. This list includes a range of SAP 2009 software packages, some of which are appropriate for use in Scotland

6. The methodology for determining energy performance is approved by the Secretary State for the Department of Communities and Local Government under regulation 17A of the Building Regulations 2000 (S.I. 2000/2531 as amended by S.I. 2006/652 and S.I. 2007/991) N.B. This reference is to the English and Welsh building regulations. However, in the Stamp Duty Land Tax (Zero-Carbon Homes Relief) Regulations 2007 there is a reference which states “and to any further methodology approved by the Secretary of State for the purposes of these Regulations”.

* Working days are the number of days of the year excluding Saturdays, Sundays and public holidays
This reference gives HM Treasury of the UK Government flexibility to make arrangements for an alternative methodology should they deem it necessary. This guidance note will be amended if that occurs.

Information that is necessary for the assessment

7. In order to make the assessment process run smoothly, the following information and drawings are necessary at least 20 working days* in advance of the projected date of first acquisition:

- the address of the dwelling, including the postcode;
- a copy of the 'as built' drawings and specifications; and,
- a copy of the SAP 2009 input data summary and populated worksheet.

Within 5 working days* of receipt of this information, the person assigned to assessment will advise the applicant of the assessment date and any additional information required to make the assessment.

After the assessment

8. The person assigned to the assessment will decide within 10 working days* if the house is eligible for a zero-carbon home certificate. Thereafter the applicant will be advised in writing. Any zero-carbon home certificate issued will be sent directly to the applicant, with copies retained by BSD.

Amendment to guidance note

9. BSD may amend this guidance from time to time. Where this occurs, applications already received for zero-carbon home certificates will be considered under the guidance that was appropriate at the time application was made.

Contact Details

10. HMRC – Keith Brown, Stamp Taxes Policy Team
telephone 0207 147 2790 or e-mail Keith.brown@hmrc.gsi.gov.uk.

11. BSD - Gillian McCallum, Energy Team telephone 01506 600417 or e-mail gillian.mccallum@scotland.gsi.gov.uk.

Legislative references


14. Explanatory Memorandum to SI 2008/1932 -

*The timescales given correlate to the projected date of first acquisition. However, where applications are retrospective as permitted by SI 2007/3437, equivalent application processing timescales apply.