



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Rt Hon Mel Stride MP  
House of Commons  
London  
SW1A 0AA

8<sup>th</sup> July 2020

Dear Mel,

I am writing to outline the changes to Stamp Duty Land Tax (SDLT) that I announced today.

The COVID-19 pandemic and subsequent lockdown has caused uncertainty for those buying and selling residential property, resulting in a significant decrease in residential property transactions. In May 2020 UK residential property transactions were 49.6% lower than in May 2019.

However, with lockdown restrictions easing, property transactions are showing signs of recovery and it is now time to support our housing sector and give people the confidence to buy a home, and to renovate and improve, to help create jobs.

Currently, residential property purchases of less than £125,000 pay no SDLT. The Government will cut SDLT by increasing the Nil Rate Band, the threshold at which SDLT is paid, from £125,000 to £500,000. This will apply from 8 July 2020 until 31 March 2021.

This means that in England and Northern Ireland, nearly 9 out of 10 people getting on, or moving up, the property ladder will pay no SDLT at all.

The increase in the Nil Rate band will be enacted by the Provisional Collection of Taxes Act 1968 providing the interim authority for the change before resolutions are debated in Parliament at a later date. A copy of the relevant resolutions is annexed to this letter.

I am copying this letter to the Shadow Chancellor, and depositing a copy of this letter in the Library of the House. A Tax Information and Impact Note detailing the impacts of this measure will be published on gov.uk ahead of the resolutions being debated.

A handwritten signature in blue ink, appearing to read 'Rishi Sunak'.

RT HON RISHI SUNAK MP