



Finance Act 2016

2016 CHAPTER 24

PART 8

SDLT AND ATED

Annual tax on enveloped dwellings

135 ATED: properties occupied by certain employees etc

- (1) Part 3 of FA 2013 (annual tax on enveloped dwellings) is amended as follows.
- (2) Section 145 (occupation by certain employees or partners) is amended in accordance with subsections (3) to (5).
- (3) In subsection (1)—
 - (a) in paragraph (b), after “qualifying trade” insert “ or qualifying property rental business ”;
 - (b) in paragraph (d) for “trade” substitute “ qualifying trade or qualifying property rental business ”.
- (4) After subsection (4) insert—

“(5) For the meaning of “qualifying property rental business” see section 133(3).”
- (5) The heading of that section becomes “ **Occupation by employees or partners of a qualifying trade or property rental business** ”.
- (6) In section 146 (meaning of “qualifying employee” and “qualifying partner” in section 145)—
 - (a) in subsection (1), after “trade” insert “ or property rental business ”;
 - (b) in subsection (2)—
 - (i) in the words before paragraph (a), after “qualifying trade” insert “ or qualifying property rental business ”, and
 - (ii) in paragraph (a)(i), after “trade” insert “ or (as the case may be) property rental business ”.

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(7) After section 147 insert—

“147A Caretaker flat owned by management company

- (1) A day in a chargeable period is relievably in relation to a single-dwelling interest if the dwelling in question is a flat in relation to which the conditions in subsection (2) are met.
 - (2) The conditions are that on that day—
 - (a) a company (“the management company”) holds the single-dwelling interest for the purpose of making the flat available as caretaker accommodation,
 - (b) the flat is contained in premises which also contain two or more other flats,
 - (c) the tenants of at least two of the other flats in the premises are members of the management company,
 - (d) the management company owns the freehold of the premises, and
 - (e) the management company is not carrying on a trade or property rental business.
 - (3) For the purposes of subsection (2), the management company makes a flat available “as caretaker accommodation” if it makes it available to an individual for use as living accommodation in connection with the individual’s employment as caretaker of the premises.
 - (4) In this section “premises” means premises constituting the whole or part of a building.”
- (8) In section 116 (dwelling in grounds of another dwelling), in the list in subsection (6)—
- (a) in the entry relating to section 145, for “certain employees or partners” substitute “employees or partners of a qualifying trade or property rental business”;
 - (b) at the appropriate place insert— “ section 147A (caretaker flat owned by management company); ”.
- (9) In section 117 (dwellings in the same building), in the list in subsection (5)—
- (a) in the entry relating to section 145, for “certain employees or partners” substitute “employees or partners of a qualifying trade or property rental business”;
 - (b) at the appropriate place insert— “ section 147A (caretaker flat owned by management company); ”.
- (10) In section 132 (effect of reliefs under sections 133 to 150), in the list in subsection (3)
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- (a) in the entry relating to section 145, for “certain employees or partners” substitute “employees or partners of a qualifying trade or property rental business”;
 - (b) at the appropriate place insert— “ section 147A (caretaker flat owned by management company); ”.

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- (11) In section 159A (relief declaration returns), in the table in subsection (9), in the entry relating to section 145, for “(dwellings used for trade purposes: occupation by certain employees or partners)” substitute “ or 147A (occupation by certain employees etc) ”.
- (12) The amendments made by this section have effect for chargeable periods beginning on or after 1 April 2016.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)