Draft Regulations laid before the House of Commons under section 114(5) of the Finance Act 2003, for approval by resolution of that House.

DRAFT STATUTORY INSTRUMENTS

2007 No.

STAMP DUTY LAND TAX

The Stamp Duty Land Tax (Zero-Carbon Homes Relief) Regulations 2007

Made - - - -	***
Coming into force - -	***

The Treasury make the following Regulations in exercise of the powers conferred by sections 58B and 58C of the Finance Act 2003(**1**).

In accordance with section 114(5) of that Act(**2**), a draft of this instrument was approved by a resolution of the House of Commons.

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Stamp Duty Land Tax (Zero-Carbon Homes Relief) Regulations 2007 and shall come into force on the day after the day on which they are made.

(2) These Regulations shall have effect in relation to acquisitions—

(a) made on or after 1st October 2007, and

(b) before 1st October 2012.

Interpretation

2. In these Regulations—

"accredited assessor" means—

(a) in England or Wales, either—

(i) a person who is a member of an accreditation scheme approved by the Secretary of State in relation to newly erected dwellings for the purposes of regulation 17F (1) to (3) of the Building Regulations 2000(**3**), or

(**1**) 2003 c. 14; sections 58B and 58C were inserted by section 19 of the Finance Act 2007 (c.11).
(**2**) Subsection 114(5) was inserted by section 19 of the Finance Act 2007 (c.11).
(**3**) S.I. 2000/2531, as amended by S.I. 2006/652 and S.I. 2007/991. There are other amendments not relevant to these regulations.

(ii) where no accreditation scheme as described in paragraph (i) has yet been approved, a person who is authorised to issue ratings calculated by the Government's Standard Assessment Procedure for Energy Rating of Dwellings ("the SAP") by the holder of a licence granted by the Department for Environment, Food and Rural Affairs to certify that the ratings assessed under the SAP have been issued by a body authorised by the Secretary of State;

(b) in Scotland, the Scottish Ministers or a person who is approved by the Scottish Ministers to issue certificates for the purposes of these Regulations; and

(c) in Northern Ireland, a person who is a member of an accreditation scheme approved by the Department of Finance and Personnel or the Department for Social Development for the purpose of assessing the energy performance of dwellings by reference to the approved methodology;

"the approved methodology" means—

(a) the methodology for the calculation of the energy performance of buildings approved by the Secretary of State for the purposes of regulation 17A of the Building Regulations 2000; and

(b) any further methodology for the calculation of energy performance of buildings approved by the Secretary of State under regulation 7;

"zero-carbon home" has the meaning given in regulation 5; and

"zero-carbon home certificate" means a certificate issued under regulation 6(1).

Scope of Regulations

3. These Regulations apply to a land transaction which is the first acquisition of a dwelling which is a zero-carbon home.

Relief

4.—(1) Relief from charge to stamp duty land tax shall be granted in relation to a land transaction to which these Regulations apply as follows.

This is subject to paragraph (5).

(2) Where the chargeable consideration is not more than £500,000 and does not consist of or include rent, the transaction is exempt from charge.

(3) Where the chargeable consideration includes rent and consideration other than rent and the consideration other than rent is not more than £500,000, no tax shall be chargeable in respect of the consideration other than rent.

(4) Where the chargeable consideration does not include rent and is more than £500,000, or the consideration other than rent is more than £500,000, the amount of tax chargeable shall be reduced by £15,000.

(5) Her Majesty's Revenue and Customs may refuse relief if they have reasonable grounds to think that a dwelling is not a zero-carbon home within the meaning of these Regulations, notwithstanding that a zero-carbon home certificate has been issued in relation to that dwelling.

Zero-Carbon Home

5.—(1) "Zero-carbon home" means a dwelling that is energy efficient in relation to the aspects of energy efficiency in column 1 of the table.

(2) The evidence to be adduced to show that a dwelling satisfies each relevant aspect of energy efficiency is set out in column 2 of the table.

(3) Whether the requirements in column 2 are met shall be determined by an assessment of the dwelling by an accredited assessor.

1 Aspects of energy efficiency	*2 Evidence*
Heat loss parameter ("HLP").	The HLP of the dwelling calculated in accordance with the approved methodology must be no more than 0.8 Watts per square metre Kelvin (W/m²K).
Dwelling CO_2 emission rate ("DER").	The DER over the course of a year calculated in accordance with the approved methodology must be no more than zero kilograms per square metre (kg/m²/year).
Net CO_2 emissions.	The net CO_2 emissions from the dwelling over the course of a year calculated in accordance with the approved methodology must be no more than zero kilograms per square metre (kg/m²/year).

(4) In this regulation—

"dwelling CO_2 emission rate" means the annual CO_2 emissions per unit floor area for space heating, water heating, ventilation and lighting, less the emissions saved by energy generation technologies in or on the dwelling;

"heat loss parameter" means the heat loss per unit of temperature difference per unit floor area determined by the internal dimensions of surfaces bounding the dwelling, the thermal performance of the materials used in construction and the air permeability of the dwelling envelope;

"net CO_2 emissions" means—

(a) the annual CO_2 emissions per unit floor area for space heating, water heating, ventilation and lighting, and those associated with appliances and cooking, less

(b) the emissions saved by the use of energy generation technologies in or on the dwelling and additional allowable electricity.

(5) For the purposes of the definition of "net CO_2 emissions"—

"allowable electricity" means electricity generated from a zero-carbon energy source designed to serve the dwelling and which is conveyed to the dwelling, or to a sub-station connected directly to the dwelling, by cables used exclusively for the conveyance of electricity from that source;

"zero-carbon energy source" includes wind, photovoltaic and hydro-electric power.

Certification

6.—(1) If the dwelling satisfies the definition of zero-carbon home the accredited assessor who carried out the assessment in accordance with regulation 5(3) shall issue a zero-carbon home certificate.

(2) A zero-carbon home certificate must state—

(a) in relation to the dwelling—

(i) the address of the building, including postcode,

(ii) that the dwelling is a zero-carbon home within the meaning of these Regulations, and