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Stamp Duty SCANDAL: Britons could be owed £2BILLION back from taxman as sums prove WRONG

Britons could be owed a whopping £2billion by the taxman because an online calculator for homebuyers has got its sums wrong.

By **CARLY READ**

PUBLISHED: 11:49, Sat, Mar 31, 2018 | UPDATED: 15:23, Sat, Mar 31, 2018



The tool, provided by HMRC, has failed to take into account stamp duty discounts

The tool, provided by HMRC, has failed to take into account stamp duty discounts worth thousands of pounds if a buyer forks out for a property with a granny annexe, farmland or commercial building attached.

HMRC is dealing with an eye-watering 900 refunds a month, according to Cornerstone Tax, an advice company based in Leicestershire, who reported a 400 per cent increase in money-back claims.

The firm said the problem was down to solicitors using the faulty tool to make final calculations.

Cornerstone also said one in six transactions was wrongly calculated and up to £2billion could be owed in England and Wales.

But HMRC slammed the figures and claimed most buyers pay the correct amount.

It also warned the online calculator was to be used as a guide, not a final figure.

Solicitors however, complained they frequently used the calculator because the taxman was treating the like accountants, relying on expert they did not have.



The calculator did not take into account mixed-use properties on which stamp duty of up to five per cent is paid, compared with 12 per cent on homes worth more than £1.5million.

Cornerstone featured an example, in which a couple bought a home with a field for £1million.

The calculator added up their stamp duty at £43,750 but they should have been billed £39,500 because the field had been rented by a farmer.

A woman was also stung, having paid £500,000 for a block of flats above a cafe.

She paid £14,500 in stamp duty but it should have been £8,400 due to multiple dwellings relief.

A man who paid £30,000 in stamp duty for a £500,000 house should have been charged £10,000 because the property came with an annexe.



The calculator did not take into account mixed-use properties

Sarah Dwight, a solicitor on the Law Society's conveyancing and land law committee said: "A lot of the calculators are not up to it."

"We write to the HMRC for guidance but we're finding a long turnaround time, often 28 days, and that doesn't help the chain if someone is moving house."

Stamp duty is a major source of income for the Treasury and brought in £13 billion last year, a massive 95 per cent more than five years ago.

HMRC said: "All reliefs are clearly signposted on stamp duty land tax returns."

"Our 'ready reckoner' provides a guide only."

The purchaser should claim a refund if too much has been paid via www.gov.uk.