

# Stamp Duty Land Tax (“SDLT”) – 3% Surcharge Repayment Extension

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The Stamp Duty Land Tax (SDLT) ‘3 year rule’ to be extended in certain circumstances (including COVID-19).

Previously, if within three years of buying a new additional property (as a main residence) there is a complete disposal of the previous main residence then the 3% SDLT surcharge paid on your new home will be recoverable from HMRC.

In light of the pandemic HMRC have agreed to extend the three year timeframe in exceptional circumstances. HMRC have issued new guidance setting out their requirements at: [www.gov.uk/hmrc-internal-manuals/stamp-duty-land-tax-manual/sdltm09807](http://www.gov.uk/hmrc-internal-manuals/stamp-duty-land-tax-manual/sdltm09807)

The guidance allows an extension to the three year rule in the event that a homeowner was unable to sell their previous home within the three years because of an “exceptional circumstance beyond their control” and that they have sold their previous home as soon as possible after the exceptional circumstances have come to an end.

The previous home must be sold before HMRC will process an application for an extension however HMRC have specifically stated that if the pandemic situation has caused the delay in the sale then that would qualify. Although in waiting for market conditions to improve again would not qualify.



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