

Residential property developer tax: Consultation on policy design

Please complete answers below each question and save the document when completed.
Please refer to the full consultation document at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/982206/20210427_RPDT_consultation_FINAL_002.pdf

A.1 Chapter 3: Scope

1. Question: Is this definition a reasonable basis for identifying residential property in scope for the tax? Will companies be able to identify profits in scope using this definition?

2. Question: Do you agree with the approach to affordable housing? What are the implications for housing associations and to what extent would their taxable activities fall in scope?

3. Question: Do you agree with this approach to communal housing?

4. Question: Do you agree with this approach to student housing?

5. Question: Is there an alternative to the approach described for retirement housing, which considers provision of care and allied services, that should be considered?

6. Question: Are there additional forms of communal housing that you believe should be excluded from the definition of residential property activity for the purposes of the RPDT?

7. Question: How should income from the development stage of build-to-rent activities be measured for the purposes of the tax? Do groups already recognise build-to-rent income in their development profits? On what basis?

8. Question: What are the implications of models 1, 2a and 2b for businesses?

9. Question: Which approach is preferred?

10. Question: Which of these would be administratively easier for major residential property developers to operate?

11. Question: Where should the significance test be set for model 1?

12. Question: What would be the best approach to achieving an apportionment for income and expenditure that is fair without being unduly burdensome?

13. Question: To help inform the design, what are the sector's expectations for future losses?

14. Question: Do you consider there is any method of allowing carried forward losses, which can provide both fairness and minimal administrative burden?

15. Question: What are the implications of excluding interest and funding costs from the measure of profits for RPDT purposes?

A.2 Chapter 4: Allowance and rate

16. Question: Do you agree that the same approach regarding treatment of carried forward losses for the calculation of the profits for the tax should apply for the calculation of profits for the allowance?

17. Question: Do you think it is more appropriate for the definition of a group for the purposes of this tax to be based on a tax rule or an accounting standard?

18. Question: Which existing definition of a group for tax or accounting purposes do you think would be most appropriate for this purpose?

19. Question: What rules, in addition to your preferred group definition, do you consider would be required to ensure that the threshold is applied to a single economic entity?

20. Question: What would you consider to be appropriate measures of economic participation in a joint venture?

21. Question: What would you consider to be an appropriate hurdle for a participator becoming liable to tax in respect of the joint venture?

22. Question: Do you have any other observations regarding the use of joint venture structures in the UK residential property development sector?

23. Question: Do you agree that these principles should guide the decision on the rate of the tax?

A.3 Chapter 5: Interaction with the Gateway 2 levy

24. Question: Do you have any initial views on the cumulative impact of the RPDT and the Gateway 2 levy?

A.4 Chapter 6: Reporting

25. Question: Do you agree that the RPDT should be reported using the same periods as for CT?

26. Question: Do you see any difficulties applying the CT rules for accounting periods to any of the models and if so, how could they be overcome?

27. Question: For models 1 and 2a would there be any difficulties for a given company in knowing that the group's thresholds for the RPDT have been satisfied?

28. Question: If there is a requirement for separate registration, is 90 days from the end of the accounting period a reasonable timeframe?

A.5 Chapter 7: Payment and Compliance

29. Question: If possible, would including RPDT amounts within quarterly instalment payments be preferable? Or would this create any issues?

30. Question: Do you agree that allowing a nominated company to act on behalf of the group would reduce the compliance burden?

31. Question: Do you foresee any difficulties with the nominated company calculating and reporting RPDT liability on behalf of the whole group?

32. Question: Are there any practical issues around the nominated company accessing information from the rest of the group?

33. Question: Would specific rules be needed for companies whose AP does not coincide with the nominated company's AP?

34. Question: Do you have any comments on the proposed commencement date?

35. Question: Do you have any views on avoidance risks generally, and how these should be minimised?

36. Question: Do you have any observations on the proposed anti-avoidance provisions, or other avoidance risks?

37. Question: Do you think it would be necessary to introduce additional rules to ensure compliance or to make administration of the tax easier?

A.6 Chapter 8: Assessment of impacts

38. Question: Would you adjust your development plans, build out strategy, or land acquisition strategy in response to the implementation of this tax? If yes, how?

39. Question: Are there other ways you would adapt your development plans in response to the implementation of this tax? If yes, how?

40. Question: Are there other potential impacts on housing supply?

41. Question: Is there anything further the government might want to consider in relation to the design of the tax which would help minimise the impact on housing supply? Or other housing policy objectives?

42. Question: Is there anything the government might want to consider with regards to the impact of the tax on the supply of affordable housing?

43. Question: Do you have any comments on the summary of impacts?

Save this completed form and email it to: rpdtconsultation@hmtreasury.gov.uk

All submissions must be sent no later than 22nd July 2021.



Form created by The Building Safety Register

Web: <https://www.buildingsafetyregister.org>

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