

CashCalc Specification Sheets (Client Facing)

Stamp Duty Calculator

Overview

The Stamp Duty Calculator is used to show the client how much stamp duty that they would pay depending upon the price of the property. This calculator takes the house price and uses it to display how much of that price falls under each bracket and how much tax is owed for each bracket and in total.

Assumptions

Below is a list of all assumptions made in order to perform the calculation:-

- Figures are rounded to the nearest pound
- The property is for residential purposes or additional residential property
- Tax rates are those set by the current government (May 2016)

Calculations Breakdown

The calculations require three parameter in order to calculate the given output, this being:

- House Purchase Price
- Is this property an additional residential purchase?
- Are Scottish tax rates applicable?

The Stamp Duty calculator uses this value and determines which tax threshold that it falls into and provides an output accordingly. These brackets are:

Tax Band & Property Price	Residential (Taxed at)	Buy to let (Taxed at)
Band 0: < £125,000	0%	3%
Band 1: >= £125,000 & < £250,000	2%	5%
Band 2: >=£250,000 & <£925,000	5%	8%
Band 3: >=£925,000 & <£1,500,000	10%	13%
Band 4: >=£1,500,000	12%	15%

If the property is subject to Scottish Tax rates, then the tax bands and property values are as follows:

Tax Band & Property Price	Residential (Taxed at)
Band 0: < £145,000	0%
Band 1: >= £145,000 & < £250,000	2%
Band 2: >=£250,000 & <£325,000	5%
Band 3: >=£325,000 & <£750,000	10%
Band 4: >=£750,000	12%

If the property is an additional residential purchase it is subject to an additional dwelling supplement tax of 3% of the purchase price on properties with a purchase price of £40,000 or more.

If the property is subject to Welsh Tax rates, then the tax bands and property values are as follows:

Tax Band & Property Price	Residential (Taxed at)
Band 0: < £180,000	0%
Band 1: >= £180,000 & < £250,000	3.5%
Band 2: >=£250,000 & <£400,000	5%
Band 3: >=£400,000 & <£750,000	7.5%
Band 4: >=£750,000 & < 1,500,00	10%
Band 5: >= £1,500,000	12%

The price is then compared to these brackets and the calculation performed depends upon which bracket the price falls into. The calculations performed are as follows:

Band 0:

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                If residential
Stamp Duty = (Price - £125,000) * 0.00

                If buy to let
Stamp Duty = (Price - £125,000) * 0.03

                If Scottish residential
Stamp Duty = (Price - £145,000) * 0.00

                If Scottish buy to let
Stamp Duty = ((Price - £145,000) * 0.00) + (Price * 0.03)

                If Welsh residential
Stamp Duty = (Price - £125,000) * 0.00

                If Welsh buy to let
Stamp Duty = (Price - £150,000) * 0.00

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Band 1:

If residential
Stamp Duty = (Price - £125,000) * 0.02

If buy to let
Stamp Duty = (Price - £125,000) * 0.05

If Scottish residential
Stamp Duty = (Price - £145,000) * 0.02

If Scottish buy to let
Stamp Duty = ((Price - £145,000) * 0.02) + (Price * 0.03)

If Welsh residential
Stamp Duty = (Price - £180,000) * 0.035

If Welsh buy to let
Stamp Duty = (Price - £150,000) * 0.01

Band 2:

If residential
Stamp Duty = (Price - £250,000) * 0.05

If buy to let
Stamp Duty = (Price - £250,000) * 0.08

If Scottish residential
Stamp Duty = (Price - £250,000) * 0.05

If Scottish buy to let
Stamp Duty = ((Price - £250,000) * 0.05) + (Price * 0.03)

If Welsh residential
Stamp Duty = (Price - £250,000) * 0.05

If Welsh buy to let
Stamp Duty = (Price - £250,000) * 0.05

Band 3:

If residential
Stamp Duty = (Price - £125,000) * 0.10

If buy to let
Stamp Duty = (Price - £125,000) * 0.13

If Scottish residential
Stamp Duty = (Price - £145,000) * 0.10

If Scottish buy to let
Stamp Duty = ((Price - £145,000) * 0.10) + (Price * 0.03)

If Welsh residential
Stamp Duty = (Price - £400,000) * 0.075

If Welsh buy to let
Stamp Duty = (Price - £1,000,000) * 0.06

Band 4:

If residential
Stamp Duty = (Price - £125,000) * 0.12

If buy to let
Stamp Duty = (Price - £125,000) * 0.15

If Scottish residential
Stamp Duty = (Price - £145,000) * 0.12

If Scottish buy to let
Stamp Duty = ((Price - £145,000) * 0.12) + (Price * 0.03)

If Welsh Residential
Stamp Duty = (Price - £750,000) * 0.1

Band 5:

If Welsh Residential
Stamp Duty = (Price - £1,000,000) * 0.12

These calculations find how much can be taxed in the final bracket that the price comes under; any previous brackets would be taxed at the full amount. Then the final stamp duty is a running total calculated by taking the percentage, defined by each tax bracket, of the amount that is taxed.

A PDF report can be created from this calculator which contains detailed information about the relevant client's details and the outputs of the calculations performed.