

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR
QUESTION SUBMITTED ON MONDAY 10th OCTOBER 2022
ANSWER TO BE TABLED ON MONDAY 17th OCTOBER 2022**

Question

Will the Minister provide the following in relation to Stamp Duty –

- (a) how many residential properties have been bought and sold in the last 10 years that were not the purchaser's main residence;
- (b) whether these purchases were for buy-to-let, second homes or holiday homes; and
- (c) whether the purpose of increasing the percentage of Stamp Duty by 3% above the normal rate for residential property on any property purchased for any purpose other than a main residence (as proposed in the new Government plan), is to bring in extra revenue or to change purchasing habits?

Answer

The Government does not hold statistics in respect of parts (a) and (b) of the Deputy's question. Data would be gathered in future if a differential rate were introduced.

The differential rate of Stamp Duty in the Proposed Government Plan 2023-2026 satisfies Amendment 22 to P.90/2021 (draft Government Plan 2022-2025) by the Corporate Services Scrutiny Panel (CSSP).

The Corporate Services Panel's report accompanying Amendment 22 stated that "This amendment seeks to raise reasonable tax revenue from those purchasing "Buy to Let" investment properties, second homes and holiday homes by applying a higher rate of Stamp Duty and Land Transaction Tax (LTT) on this category of property purchase." The Report goes on to say that "The Panel has lodged this amendment mindful of the financial gain and wealth associated with Buy to Let property, holiday home and second home purchases, and the contribution it will make to assist with reducing property demand and re-balancing the market towards owner occupiers and first-time buyers."

In practice the Government expects that the outcome will be hybrid. As stated on Page 33 of the Proposed Government Plan, "Economic analysis has assessed the potential impacts on revenue and owner-occupation. It is suggested that the measure could modestly increase revenue and stimulate additional purchases by owner-occupiers."