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SCOTTISH STATUTORY INSTRUMENTS

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**2018 No. 74**

**RATING AND VALUATION**

**The Non-Domestic Rates (Levyng)  
(Scotland) Regulations 2018**

*Made* - - - - 23rd February 2018  
*Laid before the Scottish  
Parliament* - - - - 23rd February 2018  
*Coming into force* - - 1st April 2018

The Scottish Ministers make the following Regulations in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994<sup>(1)</sup> and all other powers enabling them to do so.

**Citation and commencement**

1. These Regulations may be cited as the Non-Domestic Rates (Levyng) (Scotland) Regulations 2018 and come into force on 1st April 2018.

**Interpretation**

2. In these Regulations—

“the 1962 Act” means the Local Government (Financial Provisions etc.) (Scotland) Act 1962<sup>(2)</sup>;

“the 1966 Act” means the Local Government (Scotland) Act 1966<sup>(3)</sup>;

“the 1975 Act” means the Local Government (Scotland) Act 1975<sup>(4)</sup>;

“the 1997 Act” means the Local Government and Rating Act 1997<sup>(5)</sup>;

“cumulative rateable value” means the total rateable value of all lands and heritages which an individual ratepayer is either—

- (a) entitled to occupy, whether they are occupied or not; or
- (b) actually in occupation of, whether entitled to or not,

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(1) [1994 c.39](#). Section 153 was amended by section 67 of the Climate Change (Scotland) Act 2009 ([asp 12](#)). The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 ([c.46](#)).

(2) [1962 c.9](#) (10 & 11 Eliz. 2).

(3) [1966 c.51](#).

(4) [1975 c.30](#).

(5) [1997 c.29](#).

or both;

“lands and heritages” has the meaning prescribed by and under section 42 of the Lands Valuation (Scotland) Act 1854(6);

“part residential subjects” has the meaning prescribed by and under section 99(1) of the Local Government Finance Act 1992(7);

“payday lending” means, in the course of a business involving lending, the making of, or advertising the availability of, loan agreements in relation to which the credit provided is to be repaid or substantially repaid over a period that does not exceed 12 months and being loan agreements with an annual percentage rate of interest equal to or exceeding 100%;

“rateable value”, in relation to lands and heritages and a particular date, means—

- (a) in the case of part residential subjects, the rateable value entered in the roll for that date and apportioned to the non-residential use of those subjects; and
- (b) in any other case, the rateable value entered in the roll for that date in respect of those lands and heritages,

and includes a rateable value so entered with retrospective effect;

“rates” means non-domestic rates levied under section 7B of the 1975 Act(8); and

“the roll” means a valuation roll made up under section 1 of the 1975 Act(9).

### **Amount payable as rates – lands and heritages with rateable value of £18,000 or less**

3.—(1) Subject to paragraph (5), this regulation grants relief to a person who is liable to pay rates in respect of lands and heritages on a day in the relevant year where they have—

- (a) a rateable value of £18,000 or less; and
- (b) a cumulative rateable value not exceeding £35,000.

(2) The relevant year for the purposes of this regulation is the financial year 2018-2019.

(3) Subject to paragraph (4), where the cumulative rateable value of lands and heritages falls within one of the ranges specified in column 1 (cumulative rateable value range) of the table below, the amount of rates payable is to be reduced by the percentage specified in the corresponding entry in column 2 (percentage of rate relief).

<i>Cumulative rateable value range</i>	<i>Percentage of rate relief</i>
£15,000 or less	100%
£15,001 to £18,000	25%
£18,001 to £35,000	25% on each individual property with a rateable value of £18,000 or less

(4) The amount of rate relief calculated under paragraph (3) is to be reduced by the amount of any—

- (a) reduction by virtue of one or more of the following enactments—

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(6) 1854 c.91 (17 & 18 Vict.). Section 42 was amended by the Statute Law Revision Act 1892 (c.19) and section 152(2) of the Local Government etc. (Scotland) Act 1994.

(7) 1992 c.14.

(8) Section 7B was inserted by section 110(2) of the Local Government Finance Act 1992 (c.14) and amended by paragraph 100(4) of schedule 13 of the Local Government etc. (Scotland) Act 1994.

(9) Section 1 was amended by section 34 and schedule 6 of the Abolition of Domestic Rates etc. (Scotland) Act 1987 (c.47), paragraph 1 of schedule 14 of the Local Government etc. (Scotland) Act 1994 and paragraph 1 of schedule 4 of the Local Government and Rating Act 1997 (c.29).

- (i) section 4(2) of the 1962 Act(10);
  - (ii) section 4(5)(c) of the 1962 Act(11);
  - (iii) section 24(3) of the 1966 Act(12);
  - (iv) section 24A of the 1966 Act(13);
  - (v) section 4 or 5 of the Rating (Disabled Persons) Act 1978(14);
  - (vi) paragraph 3(1) of schedule 2 of the 1997 Act(15); or
- (b) determination in accordance with sections 6(1) and 7B(2) of the Valuation and Rating (Scotland) Act 1956(16),

but only to the extent that the amount of such rate relief is reduced to nil.

(5) No rate relief is granted in consequence of paragraph (1) in respect of lands and heritages used for payday lending.

#### **Amount payable as rates – lands and heritages with rateable value more than £51,000**

4.—(1) This regulation applies to lands and heritages on any day in the relevant year when they have a rateable value exceeding £51,000.

(2) The relevant year for the purposes of this regulation is the financial year 2018-2019.

(3) The additional amount payable as rates under these Regulations in respect of lands and heritages for a day in the relevant year on which this regulation applies to them is to be calculated in accordance with the formula—

$$\text{AARP} = \frac{(\text{RV} \times \text{S})}{\text{D}}$$

Where—

- AARP is the additional amount of rates payable;
- RV is the rateable value of the lands and heritages on that day;
- S is the additional factor of 0.026; and
- D is the number of days in the relevant year.

(4) No additional amount is payable under paragraph (3) for a day on which relief under—

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- (10) Section 4(2) was amended by sections 5(a)(i) and 13 and schedule 4 of the Local Government (Miscellaneous Provisions) (Scotland) Act 1981 (c.23), section 5(1)(a) of the Local Government and Planning (Scotland) Act 1982 (c.43), section 137 and paragraph 7 of schedule 12 of the Local Government Finance Act 1988 (c.41) and section 98(2) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10).
  - (11) Section 4(5) was amended by paragraph 57 of schedule 13 of the Local Government etc. (Scotland) Act 1994, paragraph 2(a) of schedule 3 of the Local Government and Rating Act 1997 (c.29) and section 98(3) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10).
  - (12) Section 24(3) was substituted by section 154 of the Local Government etc (Scotland) Act 1994 and amended by section 1(2) (a), (b) and (c) of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 (asp 11).
  - (13) Section 24A was inserted by section 155 of the Local Government etc. (Scotland) Act 1994 and amended by section 1(3) of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012.
  - (14) 1978 c.40. Section 4 was amended by section 86(1) and paragraph 49(c) of schedule 10 of the Social Security Act 1986 (c.50) and paragraph 48 of schedule 2 of the Social Security (Consequential Provisions) Act 1992 (c.6). Section 5 was amended by section 5(1)(a), (b) and (c) of the Rating and Valuation (Amendment) (Scotland) Act 1984 (c.31).
  - (15) Paragraph 3 was amended by section 29 of the Local Government in Scotland Act 2003 (asp 1) and paragraph 25 of schedule 8 of the Postal Services Act 2000 (c.26) and paragraph 148 of schedule 12 of the Postal Services Act 2011 (c.5).
  - (16) 1956 c.60. Section 6(1) was repealed in part by section 34 and schedule 6 of the Abolition of Domestic Rates Etc. (Scotland) Act 1987 (c.47) and amended by section 145 and paragraph 3 of schedule 6 of the Local Government and Housing Act 1989 (c.42). Section 7B(2) was inserted by section 145 and paragraph 4 of schedule 6 of the Local Government and Housing Act 1989.

- (a) regulation 7 of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2017(17) has effect in respect of the lands and heritages in question; or
- (b) regulation 4 of the Non-Domestic Rates (New and Improved Properties) (Scotland) Regulations 2018(18) has effect in respect of the lands and heritages in question and the rateable value of those lands and heritages minus the reference amount within the meaning of regulation 2 of those Regulations does not exceed £51,000.

### **Exemptions and discretionary reductions and remissions**

#### **5. Nothing in these Regulations—**

- (a) requires rates to be paid in respect of lands and heritages for any day where those lands and heritages are under any enactment entirely exempt from rates for that day; or
- (b) prejudices the power of a rating authority to grant a reduction or remission of rates under section 3A or 4(5) of the 1962 Act(19) or paragraph 4 of schedule 2 of the 1997 Act(20).

### **Revocation and saving**

6.—(1) Subject to paragraph (2), the Non-Domestic Rates (Levy) (Scotland) Regulations 2017(21) are revoked.

(2) Nothing in paragraph (1) affects the continuing operation of the Non-Domestic Rates (Levy) (Scotland) Regulations 2017 as regards the financial year 2017-2018.

### **Amendment of the Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018**

7.—(1) The Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018(22) are amended in accordance with paragraph (2).

(2) Omit paragraph (b) in regulation 3 (amount payable as to rates – lands and heritages used as a day nursery).

St Andrew's House, Edinburgh  
23rd February 2018

*DEREK MACKAY*  
A member of the Scottish Government

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(17) [S.S.I. 2017/85](#) is amended by [S.S.I. 2018/76](#).

(18) [S.S.I. 2018/75](#).

(19) Section 3A was inserted by section 140(1) of the Community Empowerment (Scotland) Act 2015 ([asp 6](#)). Section 4(5) was amended by paragraph 57 of schedule 13 of the Local Government etc. (Scotland) Act 1994 ([c.39](#)), paragraph 2(a) of schedule 3 of the Local Government and Rating Act 1997 ([c.29](#)) and section 98(3) of the Charities and Trustee Investment (Scotland) Act 2005 ([asp 10](#)).

(20) Paragraph 4 was amended by section 28(4) of the Local Government in Scotland Act 2003 ([asp 1](#)).

(21) [S.S.I. 2017/9](#).

(22) [S.S.I. 2018/65](#).

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision for the amount payable in certain circumstances as non-domestic rates in respect of non-domestic subjects in Scotland. The non-domestic rate for subjects not covered by these Regulations is fixed by order made under the Local Government (Scotland) Act 1975. For the financial year 2018-2019, the rate is fixed by the Non-Domestic Rate (Scotland) Order 2018 (S.S.I. 2018/46).

Regulation 3 provides for the general reduction in rates for a ratepayer of non-domestic subjects with a rateable value of £18,000 or less. Regulation 3(3) sets out the reduction of either 25% or 100% depending on the value of the subjects. This regulation applies to the financial year 2018-2019.

Regulation 3(4) provides for a reduction in rate relief (calculated in accordance with regulation 3(3)) if the enactments listed in regulation 3(4)(a) or (b) already provide for a reduction or determination. Regulation 3(5) provides that no rate relief may be granted in respect of lands and heritages used for payday lending.

Regulation 4 provides a formula for the additional amount payable as rates for lands and heritages with a rateable value exceeding £51,000. This regulation applies to the financial year 2018-2019.

Regulation 5 allows for exemptions and discretionary reductions.

The Non-Domestic Rates (Levying) (Scotland) Regulations 2017 are revoked by regulation 6.

Regulation 7 makes amendments to the Non-Domestic Rates (Day Nursery Relief) (Scotland) Regulations 2018 to ensure that lands and heritages used as a nursery can be eligible for relief under those Regulations regardless of when the entry for those lands and heritages was made on the valuation roll.