



Local Government Finance Act 1988

1988 CHAPTER 41

PART III

NON-DOMESTIC RATING

Local rating

41 Local rating lists

- (1) In accordance with this Part the valuation officer for a charging authority shall compile, and then maintain, lists for the authority (to be called its local non-domestic rating lists).
- (2) A list must be compiled on 1 April 1990 and on 1 April in every fifth year afterwards.
- (3) A list shall come into force on the day on which it is compiled and shall remain in force until the next one is compiled five years later.
- (4) Before a list is compiled the valuation officer must take such steps as are reasonably practicable to ensure that it is accurately compiled on 1 April concerned.
- (5) Not later than 31 December preceding a day on which a list is to be compiled the valuation officer shall send to the authority a copy of the list he proposes (on the information then before him) to compile.
- (6) As soon as is reasonably practicable after receiving the copy the authority shall deposit it at its principal office and take such steps as it thinks most suitable for giving notice of it.
- (7) A list must be maintained for so long as is necessary for the purposes of this Part, so that the expiry of the five year period for which it is in force does not detract from the duty to maintain it.
- (8) In compiling and maintaining the list which must be compiled on 1 April 1990, the valuation officer may take into account information obtained under section 82 or 86 of the 1967 Act.

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42 Contents of local lists

- (1) A local non-domestic rating list must show, for each day in each chargeable financial year for which it is in force, each hereditament which fulfils the following conditions on the day concerned—
 - (a) it is situated in the authority's area,
 - (b) it is a relevant non-domestic hereditament,
 - (c) at least some of it is neither domestic property nor exempt from local non-domestic rating, and
 - (d) it is not a hereditament which must be shown for the day in a central non-domestic rating list.
- (2) For each day on which a hereditament is shown in the local list, it must also show whether the hereditament—
 - (a) consists entirely of property which is not domestic, or
 - (b) is a composite hereditament.
- (3) For each day on which a hereditament is shown in the list, it must also show whether any part of the hereditament is exempt from local non-domestic rating.
- (4) For each day on which a hereditament is shown in the list, it must also show—
 - (a) the rateable value of the hereditament (in a case where none of it consists of domestic property, and none of it is exempt from local non-domestic rating, on the day);
 - (b) the rateable value of such part of the hereditament as is neither domestic property nor exempt from local non-domestic rating on the day (in any other case).
- (5) The list must also contain such information about hereditaments shown in it as may be prescribed by the Secretary of State by regulations; and the information so prescribed may include information about the total of the rateable values shown in the list.

43 Occupied hereditaments liability

- (1) A person (the ratepayer) shall as regards a hereditament be subject to a non-domestic rate in respect of a chargeable financial year if the following conditions are fulfilled in respect of any day in the year—
 - (a) on the day the ratepayer is in occupation of all or part of the hereditament, and
 - (b) the hereditament is shown for the day in a local non-domestic rating list in force for the year.
- (2) In such a case the ratepayer shall be liable to pay an amount calculated by—
 - (a) finding the chargeable amount for each chargeable day, and
 - (b) aggregating the amounts found under paragraph (a) above.
- (3) A chargeable day is one which falls within the financial year and in respect of which the conditions mentioned in subsection (1) above are fulfilled.
- (4) Subject to subsection (5) below, the chargeable amount for a chargeable day shall be calculated in accordance with the formula—

$$\frac{A \times B}{C}$$

- (5) Where subsection (6) applies the chargeable amount for a chargeable day shall be calculated in accordance with the formula—

$$\frac{A \times B}{C \times 5}$$

- (6) This subsection applies where on the day concerned the ratepayer is a charity or trustees for a charity and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities).
- (7) The amount the ratepayer is liable to pay under this section shall be paid to the charging authority in whose local non-domestic rating list the hereditament is shown.
- (8) The liability to pay any such amount shall be discharged by making a payment or payments in accordance with regulations under Schedule 9 below.

44 Occupied hereditaments: supplementary

- (1) This section applies for the purposes of section 43 above.
- (2) A is the rateable value shown for the day under section 42(4) above as regards the hereditament or (as the case may be) such part of it as is neither domestic property nor exempt from local non-domestic rating.
- (3) The Secretary of State may make regulations providing that where—
- (a) the chargeable day falls within a period in which the ratepayer is in occupation of part only of the hereditament,
 - (b) the period is such limited one as may be prescribed, and
 - (c) other prescribed conditions are fulfilled,
- for the day A shall be taken to be a value which is smaller than it would be apart from the regulations and which is found in accordance with prescribed rules.
- (4) Subject to subsection (5) below, B is the non-domestic rating multiplier for the financial year.
- (5) Where the charging authority is a special authority, B is the authority's non-domestic rating multiplier for the financial year.
- (6) C is the number of days in the financial year.

45 Unoccupied hereditaments: liability

- (1) A person (the ratepayer) shall as regards a hereditament be subject to a non-domestic rate in respect of a chargeable financial year if the following conditions are fulfilled in respect of any day in the year—
- (a) on the day none of the hereditament is occupied,
 - (b) on the day the ratepayer is the owner of the whole of the hereditament,
 - (c) the hereditament is shown for the day in a local non-domestic rating list in force for the year, and
 - (d) on the day the hereditament falls within a description prescribed by the Secretary of State by regulations.
- (2) In such a case the ratepayer shall be liable to pay an amount calculated by—

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- (a) finding the chargeable amount for each chargeable day, and
 - (b) aggregating the amounts found under paragraph (a) above.
- (3) A chargeable day is one which falls within the financial year and in respect of which the conditions mentioned in subsection (1) above are fulfilled.
- (4) Subject to subsection (5) below, the chargeable amount for a chargeable day shall be calculated in accordance with the formula—

$$\frac{A \times B}{C \times 2}$$

- (5) Where subsection (6) below applies the chargeable amount for a chargeable day shall be calculated in accordance with the formula—

$$\frac{A \times B}{C \times 10}$$

- (6) This subsection applies where on the day concerned the ratepayer is a charity or trustees for a charity and it appears that when next in use the hereditament will be wholly or mainly used for charitable purposes (whether of that charity or of that and other charities).
- (7) The amount the ratepayer is liable to pay under this section shall be paid to the charging authority in whose local non-domestic rating list the hereditament is shown.
- (8) The liability to pay any such amount shall be discharged by making a payment or payments in accordance with regulations under Schedule 9 below.

46 Unoccupied hereditaments: supplementary

- (1) This section applies for the purposes of section 45 above.
- (2) A is the rateable value shown for the day under section 42(4) above as regards the hereditament or (as the case may be) such part of it as is neither domestic property nor exempt from local non-domestic rating.
- (3) Subject to subsection (4) below, B is the non-domestic rating multiplier for the financial year.
- (4) Where the charging authority is a special authority, B is the authority's non-domestic rating multiplier for the financial year.
- (5) C is the number of days in the financial year.

47 Discretionary relief

- (1) Where the first and second conditions mentioned in subsections (2) and (3) below are fulfilled for a day which is a chargeable day within the meaning of section 43 or 45 above (as the case may be)—
- (a) the chargeable amount for the day shall be such as is determined by, or found in accordance with rules determined by, the charging authority concerned, and
 - (b) sections 43(4) to (6) and 44 above, sections 45(4) to (6) and 46 above, regulations under section 57 below or regulations under section 58 below (as the case may be) shall not apply as regards the day.

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- (2) The first condition is that one or more of the following applies on the chargeable day—
 - (a) the ratepayer is a charity or trustees for a charity, and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities);
 - (b) the hereditament is not an excepted hereditament, and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;
 - (c) the hereditament is not an excepted hereditament, it is wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.
- (3) The second condition is that, during a period which consists of or includes the chargeable day, a decision of the charging authority concerned operates to the effect that this section applies as regards the hereditament concerned.
- (4) A determination under subsection (1)(a) above—
 - (a) must be such that the chargeable amount for the day is less than the amount it would be apart from this section;
 - (b) may be such that the chargeable amount for the day is 0;
 - (c) may be varied by a further determination of the authority under subsection (1) (a) above.
- (5) In deciding what the chargeable amount for the day would be apart from this section the effect of any regulations under section 57 or 58 below shall be taken into account but anything which has been done or could be done under section 49 below shall be ignored.
- (6) A decision under subsection (3) above may be revoked by a further decision of the authority.
- (7) A decision under subsection (3) above is invalid as regards a day if made after the end of the financial year in which the day falls.
- (8) The Secretary of State may make regulations containing provision—
 - (a) requiring notice to be given of any determination or decision;
 - (b) limiting the power to revoke a decision or vary a determination;
 - (c) as to other matters incidental to this section.
- (9) A hereditament is an excepted hereditament if all or part of it is occupied (otherwise than as trustee) by a charging authority or a precepting authority falling within section 144(2)(a) to (e) or (g) to (j) below.

48 Discretionary relief: supplementary

- (1) This section applies for the purposes of section 47 above.
- (2) A hereditament not in use shall be treated as wholly or mainly used for charitable purposes if it appears that when next in use it will be wholly or mainly used for charitable purposes.

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- (3) A hereditament not in use shall be treated as wholly or mainly used for purposes of recreation if it appears that when next in use it will be wholly or mainly used for purposes of recreation.
- (4) A hereditament which is wholly unoccupied shall be treated as an excepted hereditament if it appears that when any of it is next occupied the hereditament will be an excepted hereditament.
- (5) If a hereditament is wholly unoccupied but it appears that it or any part of it when next occupied will be occupied for particular purposes, the hereditament or part concerned (as the case may be) shall be treated as occupied for those purposes.

49 Reduction or remission of liability

- (1) A charging authority may—
 - (a) reduce any amount a person is liable to pay to it under section 43 or 45 above, or
 - (b) remit payment of the whole of any amount a person would otherwise be liable to pay to it under section 43 or 45 above.
- (2) But an authority may not act under this section unless it is satisfied that—
 - (a) the ratepayer would sustain hardship if the authority did not do so, and
 - (b) it is reasonable for the authority to do so, having regard to the interests of persons subject to its community charges.
- (3) The amount as regards which a reduction or remittance may be made under subsection (1) above is the amount the person would be liable to pay (apart from this section) taking account of anything done under section 47 above and the effect of any regulations under section 57 or 58 below.
- (4) Where an authority acts under this section, section 43 or 45 above shall be construed accordingly as regards the case concerned.

50 Joint owners or occupiers

- (1) The Secretary of State may make such regulations as he sees fit to deal with any case where (apart from the regulations) there would be more than one owner or occupier of a hereditament or part of land at a particular time.
- (2) Nothing in the following provisions of this section shall prejudice the generality of subsection (1) above.
- (3) The regulations may provide for the owner or occupier at the time concerned to be taken to be such one of the owners or occupiers as is identified in accordance with prescribed rules.
- (4) The regulations may provide that—
 - (a) as regards any time when there is only one owner or occupier, section 43 or 45 above (as the case may be) shall apply;
 - (b) as regards any time when there is more than one owner or occupier, the owners or occupiers shall be jointly and severally liable to pay a prescribed amount by way of non-domestic rate.

- (5) The regulations may include provision that prescribed provisions shall apply instead of prescribed provisions of this Part, or that prescribed provisions of this Part shall not apply or shall apply subject to prescribed amendments or adaptations.

51 Exemption

Schedule 5 below shall have effect to determine the extent (if any) to which a hereditament is for the purposes of this Part exempt from local non-domestic rating.