

# **NON-DOMESTIC RATES (CORONAVIRUS) (SCOTLAND) ACT 2022**

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## **EXPLANATORY NOTES**

### **THE ACT: SECTION BY SECTION**

#### ***Section 1: Effect of coronavirus on net annual values and rateable values of lands and heritages***

7. This section sets out the principal rule in the Act: that in calculating the net annual value or rateable value of any lands and heritages for the purposes of any entry in the valuation roll, no account is to be taken of any matter that is attributable to coronavirus.
8. This rule is set out in subsection (1) of section 1 and is retrospective in operation, dating back to 2 April 2020.
9. Subsection (2) then sets out an exception to the rule, to the effect that the physical state of the lands and heritages may be taken into account in making a relevant determination, whether or not the matter is attributable to coronavirus.
10. This will ensure, for example, that alterations to the physical structure of a property (such as internal structural changes or a new extension) continue to be reflected in the valuation roll when they arise, even if they are attributable to coronavirus. It will also ensure that changes to the mode or category of occupation of the property (for example from a restaurant to a shop) may still be reflected.
11. Subsection (3) clarifies the application of the rule in subsection (1) in the situation where a matter attributable to coronavirus first occurred or arose before 2 April 2020 but continued to occur after that date: with effect from 2 April 2020, no account is to be taken of a matter of this kind. For example, should any effect on the value of a property be attributable to regulations on coronavirus which first came into force before 2 April 2020 and continued to be in force after that date, the effect from 2 April 2020 onwards is to be disregarded.
12. Subsection (4) sets out what is a “relevant determination” for the purpose of the rule on the effect (or rather the non-effect) of coronavirus in subsection (1). This includes any calculation of the net annual value or rateable value of a property for the purposes of any entry in the valuation roll for non-domestic rates; but does not include a determination as to whether property is or is not to be included in the valuation roll at all.
13. Subsection (5) sets out a non-exhaustive definition of “matters attributable to coronavirus” for the purpose of the rule in subsection (1). This includes, under subsection (5)(a)(i), actions taken by persons in response to legislation directly concerned with coronavirus, such as the series of Health Protection Regulations under schedule 19 of the Coronavirus Act 2020 that imposed the public health “lockdowns”; it includes, under subsection (5)(a)(ii), actions taken by persons in response to other kinds of legislation but for reasons relating to coronavirus, such as where occupiers have decided that in order to comply with health and safety legislation, they have had to implement social distancing in their buildings; and it includes actions taken by persons

*These notes relate to the Non-Domestic Rates (Coronavirus) (Scotland)  
Act 2022 (asp 7) which received Royal Assent on 28 July 2022*

in response to public health guidance relating to coronavirus, e.g. on office working. It also includes changes in rent due to coronavirus, and changes in the value of property in general which are due to coronavirus (i.e. overall market trends).