

**2012 No. 106**

**RATES**

**Rates (Small Business Hereditament Relief) (Amendment)  
Regulations (Northern Ireland) 2012**

*Made* - - - - *9th March 2012*

*Coming into operation* - *1st April 2012*

The Department of Finance and Personnel makes the following Regulations in exercise of the powers conferred by Article 31C of the Rates (Northern Ireland) Order 1977(a).

**Citation and commencement**

1. These Regulations may be cited as the Rates (Small Business Hereditament Relief) (Amendment) Regulations (Northern Ireland) 2012 and shall come into operation on 1st April 2012.

**Amendment of the Rates (Small Business Hereditament Relief) Regulations (Northern Ireland) 2010**

2. For regulation 3 of the Rates (Small Business Hereditament Relief) Regulations (Northern Ireland) 2010(b) there shall be substituted the following regulation—

**“Reduction of rates in respect of certain qualifying hereditaments**

3.—(1) Subject to paragraph (2), regulation 5 and the condition in regulation 6, the amount which, apart from these Regulations, would be payable for a qualifying year on account of a rate in respect of the net annual value of a qualifying hereditament shall be reduced by—

- (a) 50% if the net annual value of the hereditament does not exceed £2,000;
- (b) 25% if the net annual value of the hereditament exceeds £2,000 but does not exceed £5,000;
- (c) 20% if the net annual value of the hereditament exceeds £5,000 but does not exceed £10,000.

(2) Subject to paragraph (3), paragraph (1) shall not apply where—

- (a) a person occupying a qualifying hereditament occupies; or
- (b) a person occupying a qualifying hereditament and persons connected with that person occupy (whether jointly or severally),

more than three hereditaments which are, or would fall to be, shown in the NAV list.

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(a) S.I. 1977/2157 (N.I. 28); Article 31C was substituted by section 1 of the Rates (Amendment) Act (Northern Ireland) 2009 (c. 8 (N.I.))

(b) S.R. 2010 No. 4

(3) Where each hereditament within a group of hereditaments is contiguous with another hereditament in the group and the hereditaments in the group—

- (a) have a combined net annual value not exceeding £10,000; and
- (b) are occupied by the same person,

the group of hereditaments shall be treated as a single hereditament for the purposes of determining, for the purposes of paragraph (2), the number of hereditaments which are occupied by a person or by a person and persons connected with that person.

(4) For the purposes of paragraph (2)—

- (a) a person who is a partner in a partnership is connected with any partner in the partnership;
- (b) a person (“A”) and a company are connected if A has control of the company; and
- (c) a company and another company are connected if the same person has control of both companies.

(5) Without prejudice to paragraph (4), a person (“B”) is connected with another person (“C”) for the purposes of paragraph (2) if—

- (a) B occupies a hereditament on behalf of C; or
- (b) B and C occupy different hereditaments on behalf of a third person.

(6) In this regulation—

“company” includes any body corporate or an unincorporated association but does not include a partnership; and

“control” is to be read in accordance with sections 450 and 451 of the Corporation Tax Act 2010(a).”.

Sealed with the Official Seal of the Department of Finance and Personnel on 9th March 2012



*Brian McClure*

A senior officer of the Department of Finance and Personnel

## EXPLANATORY NOTE

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

The Rates (Small Business Hereditament Relief) Regulations (Northern Ireland) 2010 (“the 2010 Regulations”) provide for rate relief for certain small business hereditaments for any rating year ending before 1st April 2015. These Regulations amend the 2010 Regulations by providing that—

- (a) where the net annual value of a qualifying hereditament is between £5,001 and £10,000, the rates payable are reduced by 20 per cent.; and
- (b) there shall be no relief where more than three business hereditaments are occupied by a person occupying a qualifying hereditament (or by a person occupying a qualifying hereditament and persons connected with such a person).

A “qualifying hereditament” is defined in the 2010 Regulations as a business hereditament which is wholly occupied, is not an excepted hereditament (as defined therein) and which is not used (in whole or in part) as a post office.

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