
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for council tax variations for dwellings which have no resident.

Regulation 2 provides two categories of dwelling. A property which is not occupied as a sole or main residence is classed as an “unoccupied dwelling”, unless it is a “second home”. To be classed as a second home a dwelling must be furnished and the taxpayer will have to be able to establish that it is lived in for at least 25 days in any year.

Regulation 3 provides the default position, where there is no resident of the dwelling, of a 50% discount from the amount of council tax payable in respect of a chargeable dwelling.

Regulation 4 gives local authorities the power to modify the application of these Regulations in respect of unoccupied dwellings and second homes. Local authorities are also given power to modify the application of these Regulations in relation to different cases or classes of cases, and to provide differently for different parts of a local authority’s area.

Regulations 5 and 6 limit the power to vary, including that local authorities cannot modify the application of these Regulations outwith specified bandwidths. Regulation 5 provides that a local authority cannot modify the discount in respect of the classes of dwellings set out in Schedule 1 and can only modify the discount in respect of dwellings that require major repair or are being structurally altered after a period of time has elapsed. It also ensures that modifications cannot be made solely to favour housing owned by local authorities or registered social landlords.

Regulation 6 sets out the bandwidths. For most dwellings, including second homes, the amount of discount cannot be increased beyond the 50% provided by regulation 3 and a discount of no less than 10% must be awarded. However, where a dwelling has been an unoccupied dwelling for over a year, an increase in liability of up to 100% can be provided for, subject to the exceptions in Schedule 2. In determining whether a dwelling has been an unoccupied dwelling for over a year short periods of occupation as a sole or main residence are to be ignored and any period when a property has been a second home is regarded as a period of occupation.

Regulations 7 and 8 revoke the previous Regulations which provided for council tax discounts for unoccupied dwellings and also make a consequential revocation.