
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision as to the amount payable in certain circumstances as non-domestic rates in respect of non-domestic properties in Scotland. They apply to the financial year 2023-24. The Regulations cease to apply where a non-domestic property is shown in a merged, split or reorganised entry in the valuation roll which takes effect during the financial year 2023-24.

Part 1 makes provision as to citation, commencement and interpretation.

Part 2 deals with amounts payable in respect of lands and heritages which are shown in the valuation roll as at 31 March 2023 and 1 April 2023. For every day of the relevant year, the notional rates liability for a non-domestic property (that is, the gross amount ordinarily payable as rates before any reliefs are applied) must be compared against that property's transitional limit. If the notional liability, calculated in accordance with regulation 9, is more than the transitional limit, the amount payable will be equal to the transitional limit. This is provided for by regulation 7. The transitional limit is calculated by multiplying the lands and heritages' base liability, calculated under regulation 10, by whichever is the appropriate factor as provided for by regulation 9.

Part 3 deals with reductions, remissions and exemptions. Regulation 11 provides for reductions under other enactments to apply in cases where the amount of rates payable is determined under regulation 7 of these Regulations in the same way as they apply in cases where these Regulations do not have effect.

Regulation 12 provides for calculation of rates liability in respect of lands and heritages which are partially unoccupied, and to which regulation 7 applies, where there is an apportionment between the rateable value of the parts of the lands and heritages which are occupied, and those which are unoccupied. In determining liability, the rateable value is taken to be the figure attributed only to the part of the property which is occupied.

In terms of regulation 13, nothing in the Regulations requires the payment of rates on property on a day on which it is entirely exempt from rates under any other enactment, or prejudices the power of a rating authority to grant discretionary reductions or remissions.

Part 4 (regulation 14) provides for a cap on increase in rates liability on certain lands and heritages in respect of which there is entitlement to small business bonus scheme relief under regulation 3 of the Non-Domestic Rates (Levying and Miscellaneous Amendment) (Scotland) Regulations 2022 or rural property relief under schedule 2 of the Local Government and Rating Act 1997, as at 31 March 2023. In relation to rural property relief, the cap applies only where entitlement to the relief is lost on 1 April 2023 as a result of an increase in rateable value taking it above whichever limit as set down by article 3(1) of the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Order 2005 applies (in relation to mandatory relief) or article 3(2), in the case of discretionary relief. The cap can be relied upon as an alternative to reliance on regulation 7, where reliance on this Part provides a more favourable result in relation to entitlement to relief than application of the transitional limit calculated in accordance with regulation 9.

Part 5 (regulation 15) provides for relief for lands and heritages consisting of certain types of parks or parts of parks which become rateable on 1 April 2023 as a result of the taking effect of amendments to section 19 of the Local Government (Financial Provisions) (Scotland) Act 1963. The relief granted is 67% relief on the rateable value of the lands and heritages as it applied when the park was added to the valuation roll at revaluation on 1 April 2023. Where the entry in a valuation roll is split or

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reorganised on or after 1 April 2023, a 67% reduction is made on the gross rates liability on each part of the lands and heritages which is the subject of an entry in the valuation roll.

Part 6 deals with general matters. Regulation 16 provides the process for making an application for relief. An application is required for relief under regulations 14 and 15.

Regulation 17 makes amendments to regulation 10 of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022, to replace references to the Non-Domestic Rates (Transitional Relief)(Scotland) Regulations 2017 ([S.S.I. 2017/85](#)) with references to these Regulations.

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