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SCOTTISH STATUTORY INSTRUMENTS

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**2023 No. 31**

**The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023**

**PART 4**

**Cases involving small business bonus scheme relief or rural property relief as at 31 March 2023**

**Cap for properties with small business bonus scheme relief or rural property relief**

**14.**—(1) This regulation applies in relation to lands and heritages where the amount of rates payable in respect of the lands and heritages is reduced by any of the following as at 31 March 2023—

- (a) regulation 3 (amount payable as rates – lands and heritages with a rateable value of £18,000 or less) of the 2022 Regulations,
- (b) paragraph 3 or 4(1) of schedule 2 of the 1997 Act (relief from non-domestic rates for general stores etc. in rural settlements: Scotland), where entitlement to the reduction is lost on 1 April 2023 as a result of an increase in rateable value of the lands and heritages above the limit provided for in—
  - (i) article 3(1)(a) or, as the case may be, article 3(1)(b) of the 2005 Order, or
  - (ii) article 3(2) of the 2005 Order.

(2) Subject to paragraph (3), where the net notional liability in respect of any lands and heritages to which this regulation applies on any day in the relevant year is more than the transitional limit in respect of those lands and heritages on that day, calculated in accordance with paragraph (4), the amount payable as rates in respect of those lands and heritages on that day is the limit calculated in accordance with paragraph (4).

(3) The net notional liability of any lands and heritages to which this regulation applies on any day is equal to the notional liability calculated in accordance with regulation 8, after any reliefs have been applied, including under regulation 7.

(4) In respect of lands and heritages to which this regulation applies on any day—

- (a) where the rateable value for that day exceeds the rateable value on 1 April 2023, the transitional limit is calculated in accordance with the formula—

$$\frac{DA + 600 + (((CRV - RV) \times PF) - A) \times (100\% - Z)}{366}$$

- (b) in any other case the transitional limit is calculated in accordance with the formula—

$$\frac{(DA + 600) \times CRV}{366 \times RV}$$

where—

A is the amount of relief granted under regulation 10 of the new and improved property relief Regulations in respect of a day on or after 1 April 2023,

CRV is the rateable value of the lands and heritages on the day with reference to which the transitional limit is calculated,

DA is the deemed amount within the meaning given in paragraph (5),

PF is the poundage figure of—

- (i) 0.524 where the lands and heritages have a rateable value exceeding £100,000,
- (ii) 0.511 where the lands and heritages have a rateable value exceeding £51,000 but not exceeding £100,000, or
- (iii) 0.498 in any other case,

RV is the rateable value of the lands and heritages on 1 April 2023, and

Z is the percentage of relief other than relief under regulation 10 of the new and improved property relief Regulations granted in respect of a day.

(5) For the purposes of this regulation the deemed amount in respect of any lands and heritages is the amount which would have been payable as rates in respect of those lands and heritages for the financial year ending 31 March 2023, had that amount been calculated on the basis of the rateable value of the lands and heritages on 31 March 2023, including any additional amounts of rates payable in terms of regulation 4 (amount payable as rates – lands and heritages with rateable value exceeding £51,000 but not exceeding £95,000) or 5 (lands and heritages with rateable value exceeding £95,000) of the 2022 Regulations, and after applying any reliefs.

(6) Where there is an entitlement to relief under both this regulation and regulation 7, the relief to be granted is whichever is the higher level of relief.

(7) Relief under this regulation may only be granted where an application is made in accordance with regulation 16.

(8) In this regulation “the 2005 Order” means the Non-Domestic Rating (Rural Areas and Rateable Value Limits)(Scotland) Order 2005(2).