

## POLICY NOTE

### THE NON-DOMESTIC RATES (TRANSITIONAL RELIEF) (SCOTLAND) AMENDMENT REGULATIONS 2023

#### SSI 2023/63

The above instrument was made in exercise of the powers conferred by powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994. The instrument is subject to negative procedure and comes into force on 1 April 2023.

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| These Regulations make minor amendments to the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023. |
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#### Policy Objectives

Regulation 2(2) corrects a typographical error in the paragraph numbering within the description of the poundage figure “PF” in regulation 8.

Regulation 2(3)(a) corrects a typographical error in the paragraph numbering within the description of the poundage figure “PF” in regulation 9(2).

Regulation 2(3)(b) clarifies that “X” has the meaning given in what will be paragraph (c) in regulation 9(2) of The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 only where the lands and heritages have a rateable value of more than £100,000 at revaluation on 1 April 2023. In other words, X is 1.250 where at revaluation on 1 April 2023 the lands and heritages have a rateable value between £20,001 and £100,000; and 1.375 where at revaluation on 1 April 2023 the lands and heritages have a rateable value of more than £100,000.

Regulation 2(4) amends regulation 12(3) of The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 to correct the fact that the section at the end of the paragraph was incorrectly numbered (c).

The next two changes relate to the Small Business Transitional Relief.

Firstly, the formula in regulation 14(4)(a) of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 takes into account “A”, the amount of relief granted under regulation 10 of the Non-Domestic Rates (Relief for New and Improved Properties) (Scotland) Regulations 2022 (“the new and improved property relief Regulations”). Regulation 2(5)(a)(i) clarifies the intended meaning of “A” in regulation 14(4)(b) by substituting for “in respect of a day on or after 1 April 2023” with “in respect of the day with reference to which the transitional limit is calculated, multiplied by 366”. This is both to reflect the fact the formula in 14(4)(a) already divides “A” by 366, and that different amounts of relief may be granted under regulation 10 of the 2022 Regulations in respect of different days.

Secondly, regulation 2(5)(a)(ii) replaces the reference to “a day” in the description of “Z” in regulation 14(4)(b) of The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations

2023 with “the day with reference to which the transitional limit is calculated”. “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. This reflects that different percentages of relief may be granted in respect of different days.

Regulation 2(5)(b) amends regulation 14(6) of The Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 to provide that where there is an entitlement to relief under both regulations 7 and 14, relief under regulation 14 is to be applied to the rates liability arrived at through applying regulation 7. The net result in terms of relief awarded for a recipient in this situation is the same as it would have been under regulation 14(6) of the Non-Domestic Rates (Transitional Relief) (Scotland) Regulations 2023 as originally laid, this simply means that the relief awarded may be classified in part as relief under regulation 7 and in part as relief under regulation 14.

Regulation 2(6) corrects a minor typographical error in the paragraph numbering within regulation 17(3) of The Non-Domestic Rates (Transitional Relief) (Scotland) Amendment Regulations 2023.

### **Consultation**

There is no requirement to consult on these regulations.

### **Impact Assessments**

No Business and Regulatory Impact Assessment has been carried out.

### **Financial Effects**

There are no additional financial effects expected compared to The Non-Domestic Rates (Transitional Relief) (Scotland) Amendment Regulations 2023.

Scottish Government  
Local Government and Communities Directorate

*March 2023*