

SCHEDULE 2

SPLITS AND MERGERS

Rules for determining chargeable amount for new hereditament

5.—(1) Subject to paragraph 7, the rules set out in this paragraph shall be used to calculate the chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls, in place of the provisions of section 43(4) to (6E), 44 and 45(4) to (6) of the Act, where—

- (a) this Schedule applies,
- (b) the creation day falls on a day after 1st April 2000, and
- (c) the new hereditament comprises or incorporates all or part of a single old hereditament.

(2) Subject to paragraphs (4), (6) and (8) below, the chargeable amount for the chargeable day shall be calculated by applying the formula—

$R \times JS$

(3) For the purposes of this paragraph—

R is the amount which would have been the chargeable amount for the old hereditament for the creation day if—

- (a) the old hereditament continued to exist and was shown in the list for that day;
- (b) the rateable value for that day was the same as for the previous day;
- (c) the old hereditament were occupied and sections 43(6) (charities), 43(6B) (rural rate relief), 44A (partly occupied hereditaments), 47(1) (discretionary relief) and 49(1) (reduction or remission of liability) of the Act and regulations 10(5) (charities), 13(5) (charities in special authority areas) and 18 (partly-occupied hereditaments) did not apply to it for the creation day;

J is the rateable value shown in the list for the new hereditament for the creation day; and

S is the rateable value shown in the list for the old hereditament for the day immediately before the creation day.

(4) Where sub-paragraph (5) applies, the chargeable amount for the chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 5.

(5) This sub-paragraph applies where on the chargeable day the ratepayer is a charity or trustees for a charity and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities).

(6) Where sub-paragraph (7) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with paragraph (2) by 2.

(7) This sub-paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc. in rural settlements) applies as respects the hereditament.

(8) Where sub-paragraph (9) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2, or, in a case where section 45(6) of the Act (unoccupied hereditaments of charities) applies, by dividing it by 10.

(9) This sub-paragraph applies where, on the chargeable day, the conditions in section 45(1) of the Act (unoccupied property) are fulfilled as respects the hereditament.