



Local Government Finance Act 1992

1992 CHAPTER 14

PART I

COUNCIL TAX: ENGLAND AND WALES

CHAPTER III

SETTING OF COUNCIL TAX

The requisite calculations

33 Calculation of basic amount of tax.

- (1) In relation to each financial year a billing authority shall calculate the basic amount of its council tax by applying the formula—

$$\frac{R - P}{T}$$

where—

R is the amount calculated (or last calculated) by the authority under section 32(4) above as its budget requirement for the year;

P is the aggregate of the sums which the authority estimates will be payable for the year into its general fund [^{F1}or (as the case may be) council fund] in respect of redistributed non-domestic rates, revenue support grant [^{F2}, additional grant][^{F3}or relevant special grant or (in the case of the Common Council only) police grant];

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T is the amount which is calculated by the authority as its council tax base for the year and, where one or more major precepting authorities have power to issue precepts to it, is notified by it to those authorities (“the major precepting authorities concerned”) within the prescribed period.

- (2) Where the aggregate calculated (or last calculated) by the authority for the year under subsection (2) of section 32 above does not exceed that so calculated under subsection (3) of that section, the amount for item R in subsection (1) above shall be nil.
- [^{F4}(3) The aggregate of the sums mentioned in item P in subsection (1) above shall be increased or reduced by the amount calculated in accordance with the following formula, according to whether that amount is positive or negative

$$W+X(Y+Z)$$

where

W is the amount of any sum which the authority estimates will be transferred in the year from its collection fund to its general fund in accordance with section 97(3) of the 1988 Act;

X in the case of an authority in Wales is nil and, in the case of an authority in England, is (subject to subsection (3A) below) the amount of any sum which the authority estimates will be—

(i) transferred from its collection fund to its general fund pursuant to a direction under section 98(4) of that Act relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year; and

(ii) credited to a revenue account for the year;

Y is the amount of any sum which the authority estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97(4) of that Act;

Z in the case of an authority in Wales is nil and, in the case of an authority in England, is the amount of any sum which the authority estimates will be—

(i) transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of that Act relating to the difference between amounts in respect of community charges credited and charged to a revenue account for any earlier financial year; and

(ii) charged to a revenue account for the year.

[^{F5}This subsection does not apply in relation to a Welsh county council or county borough council.]

- (3A) In the case of the Common Council, item X in subsection (3) above shall also include the amount of any sum which the Common Council estimates will be—

- (a) transferred from its collection fund to its City fund pursuant to a direction under section 98(4) of the 1988 Act in respect of an amount calculated by reference to the provisional amount of its non-domestic rating contribution under Part II of Schedule 8 to that Act; and
- (b) credited to a revenue account for the year.]

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[^{F6}(3B) In the case of a Welsh county council or county borough council, the aggregate of the sums mentioned in item P in subsection (1) above shall be reduced by the amount calculated in accordance with the following formula—

$$(J+K)L$$

J is the council's estimate of the amount by which the aggregate for the year of the chargeable amounts under Part III of the 1988 Act (non-domestic rating) will be less than it would be apart from section 47 of that Act (discretionary relief);

K is the council's estimate of the reductions and remittances which will be made for the year under section 49 of that Act (reduction or remission of liability);

L is the council's estimate of the deductions which, in pursuance of rules made by virtue of paragraph 4(5)(a) of Schedule 8 to that Act (non-domestic rating contributions), will be made for the year as regards the operation of sections 47 and 49 of that Act.]

[^{F7}]
^{F8}(3C) In the case of a Welsh county council or county borough council the aggregate of the sums mentioned in item P in subsection (1) above shall be reduced by an amount calculated by applying the formula—

$$E \times B \times 0.51B(E \times B \times 0.5)$$

where—E is the product of the formula set out in subsection (3D) below or, if that is a negative amount, is nil;

B is the proportion of council tax benefit prescribed for the authority for the year.

^{F7F8}(3D) E is to be calculated by applying the formula—

$$RLPBX1+(B \times 0.5)$$

where—R has the same meaning as in subsection (1) above;

LP is the aggregate of the precepts for the year—

(a) issued to the council by local precepting authorities; or

(b) anticipated by the council in pursuance of regulations made under section 41(3) below; which were taken into account by the council in making the calculation required by section 32(2) above;

BX is the guideline budget requirement prescribed for the authority for the year.

B has the same meaning as in subsection (3C) above.]]

(4) Regulations under section 32(9) above may make such consequential alterations of the constituents of any calculation required by item P in subsection (1) above or subsection (3) above (whether by adding, deleting or amending items) as appear to the Secretary of State to be necessary or expedient.

(5) The Secretary of State shall make regulations containing rules for making for any year the calculation required by item T in subsection (1) above; and a billing authority shall make the calculation for any year in accordance with the rules for the time being effective (as regards the year) under the regulations.

(6) Regulations prescribing a period for the purposes of item T in subsection (1) above may provide that, in any case where a billing authority fails to notify its calculation

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to the major precepting authorities concerned within that period, that item shall be determined in the prescribed manner by such authority or authorities as may be prescribed.

Textual Amendments

- F1** Words in s. 33(1) inserted (3.4.1995 subject to art. 6(2) to (5) of the commencing S.I.) by 1994 c. 19, s. 38(11), **Sch. 12 para. 5(2)** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2)); S.I. 1995/852, **art. 6(1)**
- F2** In s. 33(1) the constituents of the calculation required by item P in subsection (1) of s. 33 are altered by the substitution of words (8.2.1994) by S.I. 1994/246, **art. 4(1)**
- F3** Words in item P of s. 33(1) substituted (3.2.1995) by S.I. 1995/234, **reg. 2(1)**
- F4** In s. 33(3) the constituents of the calculation required by item P in subsections (1) and (3) of s. 33 are altered by the substitution of s. 33(3)(3A) for s. 33(3) (8.2.1994) by S.I. 1994/246, **art. 4(2)**
- F5** Words in s. 33(3) inserted (3.4.1995 subject to art. 6(2) to (5) of the commencing S.I.) by 1994 c. 19, s. 38(11), **Sch. 12 para. 5(3)** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2)); S.I. 1995/852, **art. 6(1)**
- F6** S. 33(3B) inserted (21.2.1996) by S.I. 1996/335, **art. 2**
- F7** S. 33(3C)(3D) omitted (W.) (29.2.2000) by S.I. 2000/717, **art. 2**
- F8** S. 33(3C)(3D) inserted (16.2.1999) by S.I. 1999/296, **reg. 2**

Modifications etc. (not altering text)

- C5** Pt. 1 Ch. 3 (ss. 30-38) modified (E.) (1.2.1993) by S.I. 1993/22, **art. 3(4)**
- C6** Pt. 1 Chs. 3, 4 (ss. 30-52) modified (E.) (1.2.1993) by S.I. 1993/22, **art. 4(2)**
- C7** S. 33(1) modified (E.) (6.2.2007 with application as mentioned in reg. 1(2)(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2007 (S.I. 2007/227), **reg. 4**
- C8** S. 33(1) modified (W.) (28.2.2007 with application as mentioned in reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2007 (S.I. 2007/571), **reg. 3**
- C9** S. 33(1) amended (E.) (1.2.2002 with application as mentioned in reg. 1(2)) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2002 (S.I. 2002/155), **reg. 3**
 S. 33(1) modified (E.) (7.2.2003) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2003 (S.I. 2003/195), **reg. 3**
 S.33(1) modified (7.2.2004) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2004 (S.I. 2004/243), **reg. 3**
 S. 33(1) modified (E.) (5.2.2005) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2005 (No. 190) (S.I. 2005/190), {reg. 3}
 S. 33(1) modified (E.) (8.2.2006 with effect as mentioned in reg. 1(3)) by The Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2006 (S.I. 2006/247), **reg. 3**
 S. 33(1) modified (W.) (15.2.2006) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2006 (S.I. 2006/344), **reg. 3**
- C10** S. 33(1) modified (E.) (12.2.2008 with application in accordance with reg. 1(3) of the amending S.I.) by Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2008 (S.I. 2008/227), regs. 1(1)(b), **4**
- C11** S. 33(1) modified (W.) (27.2.2008 with application in accordance with reg. 1(3) of the amending S.I.) by The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2008 (S.I. 2008/476), regs. 1(1), **3**
- C12** S. 33(3) amended (30.11.1995) by S.I. 1995/2889, **art. 11(1)(a)**
 S. 33(3) amended (30.11.1995) by S.I. 1995/2889, **art. 11(1)(b)**
 S. 33(3) modified (E.) (6.2.1999) by S.I. 1999/228, **reg. 3**
 S. 33(3) modified (5.2.2000) by S.I. 2000/213, **reg. 3**

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S. 33(3) modified (2.2.2001 with effect as mentioned in reg. 1(3)) by [S.I. 2001/216, reg. 3](#)

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