



Non-Domestic Rating Act 2023

2023 CHAPTER 53

Liability and mandatory reliefs

1 Local rating: liability and mandatory reliefs for occupied hereditaments

- (1) In the Local Government Finance Act 1988 (referred to in this Act as “the Act”), in section 43 (occupied hereditaments: liability)—
 - (a) in the heading, after “liability” insert “and reliefs”;
 - (b) in subsection (2), in paragraph (a), after “chargeable day” insert “in accordance with [Schedule 4ZA](#)”;
 - (c) omit subsections (4) to (6L);
 - (d) omit subsections (8A) to (8D).
- (2) Omit section 44 of the Act (occupied hereditaments: supplementary).
- (3) Before Schedule 4A to the Act insert—

“SCHEDULE
4ZA

Section 43

OCCUPIED HEREDITAMENTS: CHARGEABLE AMOUNT

PART 1

CHARGEABLE AMOUNT BEFORE ANY RELIEFS

- 1 Subject to the following provisions of this Schedule, the chargeable amount for a chargeable day is to be calculated—
 - (a) in relation to England, in accordance with the formula—

$$\frac{AxM}{C}$$

- (b) in relation to Wales, in accordance with the formula—

$$\frac{A \times B}{C}$$

PART 2

PARTIAL RELIEFS

Charitable rate relief

- 2 (1) Where this paragraph applies, the chargeable amount for a chargeable day is to be calculated—

- (a) in relation to England, in accordance with the formula—

$$\frac{A \times M}{C \times 5}$$

- (b) in relation to Wales, in accordance with the formula—

$$\frac{A \times B}{C \times 5}$$

- (2) This paragraph applies where, on the day concerned—

- (a) 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), or
- (b) the ratepayer is a registered club for the purposes of Chapter 9 of Part 13 of the Corporation Tax Act 2010 (community amateur sports clubs) and the hereditament is wholly or mainly used—
- (i) for the purposes of that club, or
- (ii) for the purposes of that club and of other such registered clubs.

Improvement rate relief

- 3 (1) This paragraph applies where—

- (a) the chargeable day falls within the period of one year beginning with the day on which qualifying improvement works are completed,
- (b) on the day concerned any conditions prescribed by the appropriate national authority in regulations are satisfied, and
- (c) the day concerned falls before 1 April 2029.

- (2) “Qualifying improvement works” has the meaning given by the appropriate national authority in regulations.

- (3) The appropriate national authority may by regulations—

- (a) amend [paragraph \(a\)](#) of [sub-paragraph \(1\)](#) to substitute a longer period for the period for the time being specified in that paragraph;

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- (b) amend [paragraph \(c\)](#) of that sub-paragraph to substitute a later date for the date for the time being specified in that paragraph.
- (4) For the consequence of this paragraph applying, see the definitions of “A” and “G” in [paragraph 10](#).

Small business rate relief

- 4 (1) Where this paragraph applies, the chargeable amount for a chargeable day is to be calculated—
 - (a) in relation to England, in accordance with the formula—

$$\frac{A \times M}{C \times E}$$

- (b) in relation to Wales, in accordance with the formula—

$$\frac{A \times B}{C \times E}$$

- (2) This paragraph applies—
 - (a) in relation to England, where on the day concerned any conditions prescribed by the Secretary of State in regulations are satisfied;
 - (b) in relation to Wales, where—
 - (i) the rateable value of the hereditament shown in the local non-domestic rating list for the first day of the chargeable financial year is not more than any amount prescribed by the Welsh Ministers in regulations, and
 - (ii) on the day concerned any conditions prescribed by the Welsh Ministers in regulations are satisfied.
- (3) If a ratepayer makes an application in order to satisfy a condition prescribed under [sub-paragraph \(2\)\(a\)](#) and the ratepayer—
 - (a) makes a statement in the application which the ratepayer knows to be false in a material particular, or
 - (b) recklessly makes a statement in the application which is false in a material particular,the ratepayer is liable on summary conviction to imprisonment for a term not exceeding 3 months or to a fine not exceeding level 3 on the standard scale or to both.

PART 3

FULL RELIEFS

Introduction

- 5 Where any paragraph of this Part of this Schedule applies in relation to a hereditament on a chargeable day, the chargeable amount for the day concerned is zero.

Heat networks rate relief

- 6 (1) This paragraph applies where—
- (a) on the day concerned the hereditament is wholly or mainly used for the purposes of a heat network,
 - (b) on the day concerned any conditions prescribed by the appropriate national authority in regulations are satisfied, and
 - (c) the day concerned falls before 1 April 2035.
- (2) “Heat network” has the meaning given in regulations by the appropriate national authority.
- (3) The appropriate national authority may by regulations amend [paragraph \(c\)](#) of [sub-paragraph \(1\)](#) to substitute a later date for the date for the time being specified in that paragraph.

Public lavatories rate relief

- 7 This paragraph applies where, on the day concerned, the hereditament consists wholly or mainly of public lavatories.

Rural rate relief

- 8 (1) This paragraph applies where—
- (a) the hereditament is situated in England,
 - (b) on the day concerned the hereditament is within a settlement identified in the billing authority’s rural settlement list for the chargeable financial year,
 - (c) at the beginning of that year, A, in relation to the hereditament, is not more than any amount prescribed by the Secretary of State in regulations, and
 - (d) on the day concerned—
 - (i) the whole or part of the hereditament is used as a qualifying post office, a qualifying general store or a qualifying food store, or
 - (ii) any conditions prescribed by the Secretary of State in regulations are satisfied.
- (2) [Sub-paragraphs \(3\) to \(7\)](#) apply for the purposes of [sub-paragraph \(1\)](#).
- (3) A hereditament, or part of a hereditament, is used as a qualifying post office on any day in a chargeable financial year if—
- (a) it is used for the purposes of a universal service provider (within the meaning of Part 3 of the Postal Services Act 2011) and in connection with the provision of a universal postal service (within the meaning of that Part), and
 - (b) no other hereditament, or part of a hereditament, in the settlement concerned is so used.
- (4) A hereditament, or part of a hereditament, is used as a qualifying general store on any day in a chargeable financial year if—

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- (a) a trade or business consisting wholly or mainly of the sale by retail of both food for human consumption (excluding confectionery) and general household goods is carried on there, and
 - (b) such a trade or business is not carried on in any other hereditament, or part of a hereditament, in the settlement concerned.
- (5) A hereditament, or part of a hereditament, is used as a qualifying food store on any day in a chargeable financial year if a trade or business consisting wholly or mainly of the sale by retail of food for human consumption (excluding confectionery and excluding the supply of food in the course of catering) is carried on there.
- (6) The supply of food in the course of catering includes—
- (a) any supply of food for consumption on the premises on which it is supplied, or
 - (b) any supply of hot food for consumption off those premises.
- (7) “Hot food” means food which, or any part of which—
- (a) has been heated for the purposes of enabling it to be consumed at a temperature above the ambient air temperature, and
 - (b) is at the time of supply above that temperature.
- (8) Where a hereditament or part of a hereditament is used as a qualifying post office or qualifying general store on any day in a chargeable financial year, it is not to be treated as ceasing to be so used on any subsequent day in that year merely because the condition in [sub-paragraph \(3\)\(b\)](#) or [\(4\)\(b\)](#) ceases to be satisfied.

PART 4

CASES WHERE MORE THAN ONE RELIEF APPLIES

- 9 In relation to any hereditament in respect of which the paragraphs of this Schedule mentioned in the first column of the following table apply on the day concerned, the chargeable amount is to be calculated in accordance with the corresponding paragraph in the second column of the table—

<i>Paragraphs having effect in relation to hereditament</i>	<i>Paragraph to be used for calculating chargeable amount</i>
Paragraphs 2 and 4	Paragraph 2
Paragraph 6 and any of 2 or 4	Paragraph 6
Paragraph 7 and any of 2 or 4	Paragraph 7
Paragraph 8 and any of 2 or 4	Paragraph 8

PART 5

INTERPRETATION

- 10 (1) This paragraph applies for the purposes of this Schedule.

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- (2) “A” is—
- (a) where the day concerned is a day on which [paragraph 3](#) applies, the rateable value shown for the day under section 42(4) as regards the hereditament minus G;
 - (b) in any other case, the rateable value shown for the day under section 42(4) as regards the hereditament.
- (3) “B” is—
- (a) in a case where the billing authority is a special authority, the authority’s non-domestic rating multiplier for the financial year;
 - (b) in any other case, the non-domestic rating multiplier for the financial year.
- (4) “C” is the number of days in the financial year.
- (5) “D” is—
- (a) in a case where the billing authority is a special authority, the authority’s small business non-domestic rating multiplier for the financial year;
 - (b) in any other case, the small business non-domestic rating multiplier for the financial year.
- (6) “E”, in relation to small business rate relief, is an amount prescribed, or calculated in accordance with provision prescribed, by the appropriate national authority in regulations.
- (7) “G”, in relation to improvement rate relief, is an amount prescribed, or calculated in accordance with provision prescribed, by the appropriate national authority in regulations.
- (8) Regulations under [sub-paragraph \(7\)](#) may (among other things) impose duties or confer powers on the valuation officer for a billing authority (whether as regards determinations, certificates or otherwise) in relation to the ascertainment of rateable values or of G.
- (9) “M” is—
- (a) whichever of B or D is prescribed for the purposes of the provision in question by the Treasury in regulations, or
 - (b) for the purposes of a provision where there is no such prescription—
 - (i) if that provision is [paragraph 4\(1\)\(a\)](#), D, or
 - (ii) for any other provision, B.
- (10) Regulations under [sub-paragraph \(9\)](#) may prescribe different multipliers for a given provision by reference to (among other things)—
- (a) the value of A (on the first day of a chargeable financial year or for a chargeable day) in relation to hereditaments;
 - (b) the location of hereditaments;
 - (c) the local non-domestic rating list in which hereditaments are shown;
 - (d) the use of hereditaments;
 - (e) the physical characteristics of hereditaments;

- (f) ratepayers in respect of hereditaments falling within prescribed descriptions.
- (11) **Sub-paragraph (10)** does not restrict what may otherwise be done under section 143(1).
- 11 For the purposes of this Schedule, “the appropriate national authority” is—
 - (a) in relation to England, the Secretary of State;
 - (b) in relation to Wales, the Welsh Ministers.”

2 Local rating: liability and mandatory reliefs for unoccupied hereditaments

- (1) In section 45 of the Act (unoccupied hereditaments: liability)—
 - (a) in the heading, after “liability” insert “and reliefs”;
 - (b) in subsection (2), in paragraph (a), after “chargeable day” insert “in accordance with **Schedule 4ZB**”;
 - (c) omit subsections (4) to (4G).
- (2) Omit section 45A of the Act (unoccupied hereditaments: zero-rating).
- (3) Omit section 46 of the Act (unoccupied hereditaments: supplementary).
- (4) After Schedule 4ZA to the Act (inserted by **section 1(3)** of this Act) insert—

“SCHEDULE
4ZB

Section 45

UNOCCUPIED HEREDITAMENTS: CHARGEABLE AMOUNT

PART 1

CHARGEABLE AMOUNT BEFORE ANY RELIEFS

- 1 (1) Subject to the following provisions of this Schedule, the chargeable amount for a chargeable day is to be calculated—
 - (a) in relation to England, in accordance with the formula—

$$\frac{AxM}{C}$$

- (b) in relation to Wales, in accordance with the formula—

$$\frac{AxB}{C}$$

- (2) But—
 - (a) the Secretary of State may by regulations provide that **sub-paragraph (1)(a)** has effect as if the following formula were substituted—

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$$\frac{AxM}{CxN}$$

- (b) the Welsh Ministers may by regulations provide that [sub-paragraph \(1\)\(b\)](#) has effect as if the following formula were substituted—

$$\frac{AxB}{CxN}$$

PART 2

FULL RELIEF

Charitable rate relief

- 2 (1) Where this paragraph applies, the chargeable amount for a chargeable day is zero.
- (2) This paragraph applies where, on the day concerned—
- (a) the ratepayer is a charity or trustees for a charity and it appears that when next in use the hereditament will be wholly or mainly used for charitable purposes (whether of that charity or of that and other charities), or
 - (b) the ratepayer is a registered club for the purposes of Chapter 9 of Part 13 of the Corporation Tax Act 2010 (community amateur sports clubs) and it appears that when next in use—
 - (i) the hereditament will be wholly or mainly used for the purposes of that club and that club will be such a registered club, or
 - (ii) the hereditament will be wholly or mainly used for the purposes of two or more clubs including that club, and each of those clubs will be such a registered club.

PART 3

INTERPRETATION

- 3 (1) This paragraph applies for the purposes of this Schedule.
- (2) “A” is the rateable value shown for the day under section 42(4) as regards the hereditament.
- (3) “B” is—
- (a) in a case where the billing authority is a special authority, the authority’s non-domestic rating multiplier for the financial year;
 - (b) in any other case, the non-domestic rating multiplier for the financial year.
- (4) “C” is the number of days in the financial year.

- (5) “D” is—
- (a) in a case where the billing authority is a special authority, the authority’s small business non-domestic rating multiplier for the financial year;
 - (b) in any other case, the small business non-domestic rating multiplier for the financial year.
- (6) “M” is—
- (a) whichever of B or D is prescribed for the purposes of the provision in question by the Treasury in regulations, or
 - (b) for the purposes of a provision where there is no such prescription, B.
- (7) Regulations under [sub-paragraph \(6\)](#) may prescribe different multipliers for a given provision by reference to (among other things)—
- (a) the value of A (on the first day of a chargeable financial year or for a chargeable day) in relation to hereditaments;
 - (b) the location of hereditaments;
 - (c) the local non-domestic rating list in which hereditaments are shown;
 - (d) the use of hereditaments;
 - (e) the physical characteristics of hereditaments;
 - (f) ratepayers in respect of hereditaments falling within prescribed descriptions.
- (8) [Sub-paragraph \(7\)](#) does not restrict what may otherwise be done under section 143(1).
- (9) “N” is a number (greater than one but not greater than two) prescribed by the appropriate national authority in regulations.
- 4 For the purposes of this Schedule, “the appropriate national authority” is—
- (a) in relation to England, the Secretary of State;
 - (b) in relation to Wales, the Welsh Ministers.”

3 Central rating: liability and mandatory reliefs

- (1) In section 54 of the Act (central rating: liability)—
- (a) in the heading, after “liability” insert “and reliefs”;
 - (b) in subsection (2), in paragraph (a), after “chargeable day” insert “in accordance with [Schedule 5A](#)”;
 - (c) omit subsections (4) to (7).
- (2) Omit section 54ZA of the Act (relief for telecommunications infrastructure).
- (3) After Schedule 5 to the Act insert—

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“SCHEDULE 5A

Section 54

CENTRAL RATING: CHARGEABLE AMOUNT

PART 1

CHARGEABLE AMOUNT BEFORE ANY RELIEFS

1 Subject to the following provisions of this Schedule, the chargeable amount for a chargeable day is to be calculated—

(a) in relation to England, in accordance with the formula—

$$\frac{A \times M}{C}$$

(b) in relation to Wales, in accordance with the formula—

$$\frac{A \times B}{C}$$

PART 2

RELIEFS

Charitable rate relief

2 (1) This paragraph applies where—

(a) for any day in a chargeable financial year a person’s name is shown in a central non-domestic rating list in force for the year, and

(b) on the day concerned—

(i) the person is a charity or trustees for a charity, and

(ii) the charitable purpose test is satisfied in relation to any description of hereditament shown against the person’s name in the list.

(2) For the purposes of [sub-paragraph \(1\)\(b\)](#) the charitable purpose test is satisfied in relation to a description of hereditament if—

(a) in a case where there is only one hereditament falling within the description, the hereditament is wholly or mainly used for charitable purposes (whether of the charity mentioned in [sub-paragraph \(1\)\(b\)\(i\)](#) or of that charity and other charities), or

(b) in a case where there is more than one hereditament falling within the description, those hereditaments are, taken together, wholly or mainly so used.

(3) For the purposes of [sub-paragraph \(1\)\(b\)](#) the charitable purpose test is also satisfied in relation to a description of hereditament if—

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- (a) in a case where there is only one hereditament falling within the description—
 - (i) a certification under [paragraph 4\(1\)\(b\)](#) has effect in relation to the hereditament (“the unoccupied hereditament”), and
 - (ii) it appears that when next in use the unoccupied hereditament will be wholly or mainly used for charitable purposes (whether of the charity mentioned in [sub-paragraph \(1\)\(b\)\(i\)](#) or of that charity and other charities), or
 - (b) in a case where there is more than one hereditament falling within the description—
 - (i) a certification under [paragraph 4\(1\)\(b\)](#) has effect in relation to at least one of those hereditaments (“the unoccupied hereditaments”), and
 - (ii) it appears that all the hereditaments falling within the description, taken together, are (or, in the case of the unoccupied hereditaments, when next in use will be) used for charitable purposes (whether of the charity mentioned in [sub-paragraph \(1\)\(b\)\(i\)](#) or of that charity and other charities).
- (4) Where this paragraph applies, the chargeable amount for the day concerned in respect of the description of hereditament is to be calculated—
- (a) in relation to England, in accordance with the formula—

$$\frac{A \times M}{C \times 5}$$

- (b) in relation to Wales, in accordance with the formula—

$$\frac{A \times B}{C \times 5}$$

Improvement rate relief

- 3 (1) This paragraph applies where—
- (a) for any day in a chargeable financial year a person's name is shown in a central non-domestic rating list in force for the year,
 - (b) on the day concerned the condition in [sub-paragraph \(2\)](#) is satisfied in relation to one or more hereditaments falling within a description of hereditament shown against the person's name in the list,
 - (c) in relation to any of the hereditaments in relation to which that condition is satisfied—
 - (i) a certification under [paragraph 4\(1\)\(b\)](#) does not have effect in relation to the hereditament, and
 - (ii) any conditions prescribed by the appropriate national authority in regulations are satisfied, and
 - (d) the day concerned falls before 1 April 2029.

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- (2) The condition in this sub-paragraph is satisfied in relation to a hereditament if the day concerned falls within the period of one year beginning with the day on which qualifying improvement works are completed.
- (3) “Qualifying improvement works” has the meaning given by the appropriate national authority in regulations.
- (4) The appropriate national authority may by regulations amend—
 - (a) [paragraph \(d\) of sub-paragraph \(1\)](#) to substitute a later date for the date for the time being specified in that paragraph;
 - (b) [sub-paragraph \(2\)](#) to substitute a longer period for the period for the time being specified in that paragraph.
- (5) For the consequence of this paragraph applying, see the definitions of “A” and “G” in [paragraph 6](#).

Unoccupied hereditaments rate relief

- 4 (1) This paragraph applies where for any day in a chargeable financial year—
 - (a) a person’s name is shown in an English central non-domestic rating list in force for the year,
 - (b) the central valuation officer has certified that one or more hereditaments falling within a description of hereditament shown against the person’s name in the list is unoccupied, and
 - (c) any of the hereditaments so certified falls within a class prescribed by the Secretary of State in regulations.
- (2) This sub-paragraph applies if, for the day concerned, every hereditament falling within that description of hereditament—
 - (a) has been certified by the central valuation officer as unoccupied, and
 - (b) falls within a class prescribed by the Secretary of State in regulations under [sub-paragraph \(1\)\(c\)](#).
- (3) Where this paragraph and [sub-paragraph \(2\)](#) apply, the chargeable amount for the day concerned in respect of that description of hereditament is zero.
- (4) Where this paragraph applies but [sub-paragraph \(2\)](#) does not apply, the chargeable amount for the day concerned in respect of that description of hereditament is to be calculated in accordance with the formula—

$$\frac{(A - U) x M}{C}$$

- (5) Regulations under [sub-paragraph \(1\)\(c\)](#) may prescribe a class by reference to such factors as the Secretary of State sees fit, including (among other things)—
 - (a) the physical characteristics of the hereditaments;
 - (b) the fact that hereditaments have been unoccupied at any time preceding the chargeable day;

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- (c) the fact that the persons in relation to whom descriptions of hereditaments are shown fall within prescribed descriptions.
- (6) [Sub-paragraph \(5\)](#) does not restrict what may otherwise be done under section 143(1).
- (7) The Secretary of State may by regulations make provision imposing duties or conferring powers on the central valuation officer in relation to the certification of hereditaments as unoccupied.
- (8) In this paragraph, “English central rating list” means a central non-domestic rating list compiled for England.

PART 3

CASES WHERE MORE THAN ONE RELIEF APPLIES

- 5 (1) This paragraph applies if—
 - (a) for any day in a financial year any description of hereditament is shown against a person’s name in a central non-domestic rating list in force for the year, and
 - (b) [paragraphs 2](#) and [4](#) apply in relation to that description of hereditament for that day.
- (2) The chargeable amount for that day in respect of that description of hereditament is to be calculated in accordance with [paragraph 2](#).

PART 4

INTERPRETATION

- 6 (1) This paragraph applies for the purposes of this Schedule.
- (2) “A” is—
 - (a) where the day concerned is a day on which [paragraph 3](#) applies, the rateable value shown for the day in the central non-domestic rating list in force for the year against the ratepayer’s name minus G;
 - (b) in any other case, the rateable value shown for the day in that list against the ratepayer’s name.
- (3) “B” is the non-domestic rating multiplier for the financial year.
- (4) “C” is the number of days in the financial year.
- (5) “D” is the small business non-domestic rating multiplier for the financial year.
- (6) “G”, in relation to improvement rate relief, is an amount prescribed, or calculated in accordance with provision prescribed, by the appropriate national authority in regulations.
- (7) Regulations under [sub-paragraph \(6\)](#) may (among other things) impose duties or confer powers on the central valuation officer (whether as

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regards determinations, certificates or otherwise) in relation to the ascertainment of rateable values or of G.

- (8) “M” is—
- (a) whichever of B or D is prescribed for the purposes of the provision in question by the Treasury in regulations, or
 - (b) for the purposes of a provision where there is no such prescription, B.
- (9) Regulations under [sub-paragraph \(8\)](#) may prescribe different multipliers for a given provision by reference to (among other things)—
- (a) the value of A (on the first day of a chargeable financial year or for a chargeable day) in relation to hereditaments;
 - (b) the location of hereditaments;
 - (c) the use of hereditaments;
 - (d) the physical characteristics of hereditaments;
 - (e) ratepayers in respect of hereditaments falling within prescribed descriptions.
- (10) [Sub-paragraph \(9\)](#) does not restrict what may otherwise be done under section 143(1).
- (11) “U”, in relation to unoccupied hereditaments rate relief, is the total rateable value of the hereditaments falling within the description mentioned in [paragraph 4\(1\)\(b\)](#) which, for the chargeable day—
- (a) have been certified by the central valuation officer as unoccupied under that paragraph, and
 - (b) fall within a class prescribed by the Secretary of State in regulations under [paragraph 4\(1\)\(c\)](#).
- 7 For the purposes of this Schedule, “the appropriate national authority” is—
- (a) in relation to England, the Secretary of State;
 - (b) in relation to Wales, the Welsh Ministers.”