

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Paragraph 2 of Schedule 6 to the Local Government Finance Act 1988 provides for the valuation of hereditaments subject, on and after 1st April 1990, to non-domestic rating under Part III of that Act by reference to the rent at which it is estimated that the hereditament might reasonably be expected to let from year to year.

Paragraph 2(8) enables the Secretary of State to provide by Regulations that in applying the provisions of the paragraph to determine the rateable value prescribed assumptions shall be made.

Regulation 2 provides that in valuing hereditaments other than on the profits basis, it is to be assumed that certain classes of plant and machinery in or on the hereditament form part of the hereditament, and that the value of other plant or machinery has no effect on the rent estimated to be payable.

The classes of plant and machinery, which are set out in the Schedule, are the same as those deemed to be part of the hereditament before 1st April 1990 in pursuance of section 21 of the General Rate Act 1967 (c. 9) and the Plant and Machinery (Rating) Order 1960 (S.I.1960/122).

Regulation 3 requires the valuation officer on request to supply the occupier of a hereditament with written particulars of the hereditament assumed in pursuance of regulation 2 to form part of the hereditament.