

SCHEDULE 2

SPLITS AND MERGERS

Rules for determining the chargeable amount for new hereditament: mergers after 1st April 2010

5.—(1) Subject to paragraph 6 (changes in the value of new hereditament: year of creation), where—

- (a) this Schedule applies,
- (b) the creation day falls on a day after 1st April 2010,
- (c) the new hereditament comprises or incorporates more than one, or parts of more than one, old hereditament; and
- (d) the chargeable amount for the chargeable day for the new hereditament is not zero under section 45A of the Act (unoccupied hereditaments: zero rating),

the following provisions of 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 sections 43(4) to (6A), 44, 45(4) and (4A) and 54(4) to (7) of the Act.

(2) Subject to sub-paragraphs (3), (5), (7) and (9) below, the chargeable amount for the chargeable day shall be calculated by applying the formula—

$$\frac{(R \times J)}{S}.$$

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

(4) This sub-paragraph applies where, on the day concerned, the conditions in section 43(6) of the Act (charities and registered community amateur sports clubs) are fulfilled as respects the hereditament.

(5) Where sub-paragraph (6) applies, the chargeable amount for a chargeable day shall be found by—

- (a) subtracting U (as defined in regulation 10) from the amount calculated in accordance with sub-paragraph (2); and
- (b) dividing the result of the calculation performed under sub-paragraph (a) by E.

(6) This sub-paragraph applies where, on the day concerned, the conditions in section 43(4B) of the Act (small business rate relief) are fulfilled as respects the hereditament.

(7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by 2.

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

(9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day shall be found by dividing the amount calculated in accordance with sub-paragraph (2) by the number prescribed in an order under section 45(4A) of the Act (reduction in chargeable amount for unoccupied hereditaments).

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

- (a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and
- (b) an order under section 45(4A) is in force and has effect in relation to the hereditament.

Changes to legislation: There are currently no known outstanding effects for the The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2009, Paragraph 5. (See end of Document for details)

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9) of the Act (occupied hereditaments: supplementary) for the relevant year in which the relevant day falls;

R is the total of the amounts which would have been chargeable amounts for the creation day for the old hereditaments incorporated or comprised in the new hereditament if—

- (a) each of the old hereditaments was shown in a local or the central list for that day;
- (b) each rateable value for that day was the same as for the previous day;
- (c) the whole of each hereditament was occupied;
- (d) the conditions in sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (general stores etc in rural settlements) and 47(1) (discretionary relief) of the Act were not fulfilled for them for the creation day; and
- (e) section 49(1) of the Act (reduction or remission of liability) did not apply to them for the creation day;

J is the rateable value shown in a local or the central list for the new hereditament for the creation day; and

S is the total of the rateable values shown in a local or the central list for the day immediately before the creation day for the old hereditaments incorporated or comprised in the new hereditament.

Commencement Information

II Sch. 2 para. 5 in force at 17.12.2009, see [reg. 1\(1\)](#)

Changes to legislation:

There are currently no known outstanding effects for the The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2009, Paragraph 5.