

SCHEDULE 2

SPLITS AND MERGERS

Changes in the value of new hereditament: year of creation

6.—(1) Sub-paragraph (2) applies in respect of a new hereditament in a year in which the creation day falls where for a chargeable day after the creation day the rateable value shown in a local or the central list for the hereditament is greater than that shown for the creation day.

(2) Where this sub-paragraph applies, paragraphs 2 to 5 shall have effect as regards the hereditament for the chargeable day as if the reference in those paragraphs to—

$$\frac{R \times J}{S}$$

were a reference to—

$$\frac{R \times J}{S} + \frac{((N - J) \times B)}{C.}$$

(3) Sub-paragraph (4) applies in respect of a new hereditament in a year in which the creation day falls where for a chargeable day after the creation day the rateable value shown in a local or the central list for a hereditament is less than that shown in a local or the central list for the creation day.

(4) Where this sub-paragraph applies, paragraphs 2 to 5 shall have effect as if the reference in those paragraphs to—

$$\frac{R \times J}{S}$$

were a reference to—

$$\frac{R \times J \times N}{S \times J.}$$

(5) For the purposes of sub-paragraphs (2) and (4)—

B is the non-domestic rating multiplier for the relevant year in which the creation day falls;

C is the number of days in the relevant year in which the creation day falls;

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

R, J and S have the same meanings given by paragraph 2, 3, 4 or 5, as the case may be.