

SCHEDULE 1

Regulations 3(1), 5(1)(b), 7(4), 8(2),
10(13)(b), 11(1)(b)(i) and (2)(a), 13(9)(b)

ALTERED HEREDITAMENTS

Interpretation

1. In this Schedule, “altered hereditament” means a hereditament comprising, wholly or mainly, any property which was the whole or part of—

- (a) a hereditament shown in a local list at any time in the period beginning on 1st April 2010 and ending on 31st March 2017, or
- (b) a hereditament which was at any time a defined hereditament;

and the hereditament of which the altered hereditament is so comprised is, in this Schedule, referred to as the “original hereditament”.

Hereditaments to which this Schedule applies

2. This Schedule applies to an altered hereditament if—

- (a) the original hereditament was deleted from a local list with effect from any day as a result of a structural alteration to that hereditament; and
- (b) for a day on or after 1st April 2017 the altered hereditament is shown for the first time in a local list following the alteration.

Altered hereditament: base liability for 2017 - 18

3.—(1) The base liability for the relevant year beginning in 2017 for an altered hereditament is found by applying the formula—

$$Y \times Z$$

where—

Y is the amount mentioned in sub-paragraph (2), and

Z is the small business non-domestic rating multiplier for the financial year beginning in 2016.

(2) The amount referred to in sub-paragraph (1) is the amount certified by the appropriate valuation officer as the rateable value which would have been shown in the list for the hereditament for 31st March 2017 on the assumption that—

- (a) the hereditament came into existence on 31st March 2017; and
- (b) the matters referred to in paragraph 2(7) of Schedule 6 to the Act as respects the hereditament were as they were assumed to be on the day on which it was shown for the first time in a local list as mentioned in paragraph 2(b) of this Schedule.

Altered hereditament: notional chargeable amount

4. The notional chargeable amount for a relevant year for an altered hereditament is found by applying the formula—

$$A \times D$$

where—

A is the rateable value shown for the hereditament for the day for which it is shown for the first time in a local list following the alteration, and

D is the small business non-domestic rating multiplier for the relevant year.

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Altered hereditament: application of regulation 12

5. Regulation 11 has effect in relation to an altered hereditament as if paragraph (1)(b)(i) were omitted.

Altered hereditament: change in rateable value

6. Regulations 10 (appropriate fraction) and 13 (change in rateable value after 1st April 2017) have effect in relation to an altered hereditament to which this Schedule applies as if for references to 1st April 2017 there were substituted references to the day for which the altered hereditament is shown for the first time in a local list following the alteration.

SCHEDULE 2

Regulations 3(1), 5(1)(c) and(4), 6(2),
7(5), 9(2), 10(13)(c),11(4), 13(9)(c), 15(1)

SPLITS AND MERGERS

Cases where this Schedule applies

1. This Schedule applies where—
 - (a) on a day (“the creation day”) falling on or after 1st April 2017, a hereditament (“new hereditament”) comes into existence because—
 - (i) property previously rated as a single hereditament becomes liable to be rated in parts;
 - (ii) property previously rated in parts becomes liable to be rated as a single hereditament;
or
 - (iii) a hereditament or any part of a hereditament becomes part of a different hereditament; and
 - (b) immediately before the creation day either—
 - (i) a hereditament from which the new hereditament was formed in whole or in part (“old hereditament”) was a defined hereditament, or if the creation day is 1st April 2017, an old hereditament was shown in a local list for 31st March 2017, with a rateable value greater than zero; or
 - (ii) each old hereditament from which the new hereditament was formed in whole or in part was shown in the central list for 31st March 2017; and
 - (c) a rateable value, which is greater than zero, is shown for the new hereditament in a list for—
 - (i) the creation day;
 - (ii) the relevant day (if different from the creation day), and
 - (iii) each day (if any) falling after the creation day and before the relevant day.

Rules for determination of chargeable amount for new hereditament: splits on 1st April 2017

2.—(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 1st April 2017;

- (c) the new hereditament comprises or incorporates all or part of a single 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 chargeable amount for a chargeable day in the year beginning on 1st April 2017 must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

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

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

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

(4) This sub-paragraph applies where, on the chargeable day, section 43(6) of the Act (charities and registered community amateur sports clubs) applies in relation to the hereditament.

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

- (a) subtracting U (as defined in regulation 12) from the amount calculated in accordance with sub-paragraph (2); and
- (b) dividing the result by E.

(6) This sub-paragraph applies where, on the chargeable day, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.

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

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

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

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

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

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9)(a) of the Act (occupied hereditaments: supplementary) for the year beginning on 1st April 2017;

R is the amount which would have been the chargeable amount for the old hereditament for 1st April 2017 if—

- (a) the old hereditament were shown in a list for 1st April 2017;
- (b) its rateable value for that day were the value certified by the appropriate valuation officer to be the rateable value which would have been shown in that list for that day on the assumption that the relevant factors were as they were for 31st March 2017;
- (c) the whole of the hereditament were occupied;

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- (d) sections 43(4B)(a) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (rural rate relief), 47 (discretionary relief) and 49(1) of the Act (reduction or remission of liability) of the Act did not apply to it for 1st April 2017; J is the rateable value shown in a list for the new hereditament for 1st April 2017; and S is the value certified by the appropriate valuation officer to be the rateable value which would have been shown in a list for the old hereditament for 1st April 2017 if that hereditament were shown in a list for that date on the assumption that the relevant factors were as they were for 31st March 2017.

Rules for determination of chargeable amount for new hereditament: mergers on 1st April 2017

3.—(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 1st April 2017;
- (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 chargeable amount for a chargeable day in the year beginning on 1st April 2017 must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

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

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

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

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

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

- (a) subtracting U (as defined in regulation 12) from the amount calculated in accordance with sub-paragraph (2); and
- (b) dividing the result by E.

(6) This sub-paragraph applies where, on the day concerned, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.

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

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

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

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

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- (a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and
 - (b) an order by the Secretary of State under section 45(4A) has effect in relation to the hereditament.
- (11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9)(a) of the Act (occupied hereditaments: supplementary) for the year beginning on 1st April 2017;

R is the total of the amounts which would have been the chargeable amounts for 1st April 2017 for the old hereditaments comprised or incorporated in the new hereditament if—

- (a) each of the old hereditaments were shown in a list for 1st April 2017;
- (b) the rateable value for each were the value certified by the appropriate valuation officer to be the rateable value which would have been shown in a list for that day on the assumption that the relevant factors were as they were for 31st March 2017;
- (c) the whole of each of the old hereditaments were occupied;
- (d) sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (general stores etc in rural settlements), 47 (discretionary relief) and 49(1) of the Act (reduction or remission of liability) did not apply to them for 1st April 2017;

J is the rateable value shown in a list for the new hereditament for the 1st April 2017; and

S is the total of the values certified by the appropriate valuation officer to be the rateable values which would have been shown in a list for 1st April 2017 for the old hereditaments incorporated or comprised in the new hereditament if they were shown in a list for that date on the assumption that the relevant factors were as they were for 31st March 2017.

Rules for determining chargeable amount for new hereditament: splits after 1st April 2017

4.—(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 2017,
- (c) the new hereditament comprises or incorporates all or part of a single 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 chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

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

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

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

(4) This sub-paragraph applies where, on the chargeable day, section 43(6) of the Act (charities and registered community amateur sports clubs) applies in relation to the hereditament.

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

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- (a) subtracting U (as defined in regulation 12) from the amount calculated in accordance with sub-paragraph (2); and
 - (b) dividing the result of the calculation performed under paragraph (a) by E.
- (6) This sub-paragraph applies where, on the chargeable day, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.
- (7) Where sub-paragraph (8) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with sub-paragraph (2) by 2.
- (8) This sub-paragraph applies where, on the chargeable day, section 43(6B) of the Act (general stores etc in rural settlements) applies in relation to the hereditament.
- (9) Where sub-paragraph (10) applies, the chargeable amount for a chargeable day is found by dividing the amount calculated in accordance with paragraph (2) by the number prescribed in an order by the Secretary of State under section 45(4A) of the Act (reduction in chargeable amount for unoccupied hereditaments).
- (10) This sub-paragraph applies where, on the chargeable day—
- (a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and
 - (b) an order by the Secretary of State under section 45(4A) has effect in relation to the hereditament.
- (11) For the purposes of this paragraph—
- E is the amount prescribed under section 44(9)(a) of the Act (occupied hereditaments: supplementary) for the relevant year in which the relevant day falls;
- R is the amount which would have been the chargeable amount for the old hereditament for the creation day if—
- (a) the old hereditament continued to exist and was shown in a list for that day;
 - (b) the rateable value for that day were the same as for the previous day;
 - (c) the whole of the old hereditament were occupied and sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (general stores etc in rural settlements), 47 (discretionary relief) and 49(1) (reduction or remission of liability) of the Act did not apply to it for the creation day;
- J is the rateable value shown in a list for the new hereditament for the creation day; and
- S is the rateable value shown in a list for the old hereditament for the day immediately before the creation day.

Rules for determining chargeable amount for new hereditament: mergers after 1st April 2017

- 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 2017;
 - (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 chargeable amount for a chargeable day which is a relevant day in the relevant year in which the creation day falls must be calculated under the following provisions of this paragraph instead of under section 43, 45 or 54 of the Act.

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

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

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

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

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

(a) subtracting U (as defined in regulation 12) from the amount calculated in accordance with sub-paragraph (2); and

(b) dividing the result of the calculation performed under paragraph (a) by E.

(6) This sub-paragraph applies where, on the chargeable day, section 43(4B) of the Act (small business rate relief) applies in relation to the hereditament.

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

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

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

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

(a) the conditions in section 45(1) of the Act (unoccupied hereditaments: liability) are fulfilled as respects the hereditament; and

(b) an order by the Secretary of State under section 45(4A) has effect in relation to the hereditament.

(11) For the purposes of this paragraph—

E is the amount prescribed under section 44(9)(a) 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 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) sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (general stores etc in rural settlements), 47 (discretionary relief) and 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 list for the new hereditament for the creation day; and

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

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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 list for the hereditament is greater than the rateable value shown for the creation day.

(2) Where this sub-paragraph applies, paragraphs 2 to 5 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 list for a hereditament is less than the rateable value shown in a list for the creation day.

(4) Where this sub-paragraph applies, paragraphs 2 to 5 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 in a list for the new hereditament for the chargeable day; and

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

Notional chargeable amount for new hereditament

7.—(1) This paragraph applies for determining the notional chargeable amount for a new hereditament for a relevant year falling after the year in which the creation day falls.

(2) Where this paragraph applies, the relevant notional chargeable amount is found by applying the formula—

$$J \times D$$

where—

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

D is the small business non-domestic rating multiplier for the relevant year.

Base liability for the year after the year in which the creation day falls

8.—(1) This paragraph applies for determining the base liability for a new hereditament for the relevant year which falls immediately after the year in which the creation day falls.

(2) Where this paragraph applies, the base liability for the hereditament is found by applying the formula—

$$(T \times C) - ((B - D) \times J).$$

(3) For the purposes of this paragraph—

T is the amount (calculated in accordance with such of the preceding provisions of this Schedule as are applicable) which is or would have been the chargeable amount for the hereditament for the creation day if—

- (a) the whole of the hereditament were occupied;
- (b) sections 43(4B) (small business rate relief), 43(6) (charities or registered community amateur sports clubs), 43(6B) (general stores etc in rural settlements), 47 (discretionary relief) and 49(1) of the Act (reduction or remission of liability) did not apply to it for the creation day;

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

B is the non-domestic rating multiplier for the relevant year;

D is the small business non-domestic rating multiplier for the relevant year; and

J is the rateable value shown in a list for the new hereditament for the creation day.

Base liability for subsequent years for new hereditament

9.—(1) This paragraph applies for determining the base liability for a hereditament to which this Schedule applies for any relevant year falling after the relevant year referred to in paragraph 8(1).

(2) Where this paragraph applies, the base liability for the hereditament is found by applying the formula—

$$BL \times AF.$$

(3) For the purposes of this paragraph, BL and AF have the meanings given by regulation 9.

Rateable value: hereditament split or merged after 1st April 2017

10.—(1) This paragraph applies if the creation day falls on a day after 1st April 2017.

(2) Subject to sub-paragraph (3), regulations 10 (appropriate fraction) and 13 (change in rateable value after 1st April 2017), ignoring any modifications made by regulation 14 (change in rateable value on 1st April 2017), have effect in relation to a new hereditament as if for references to 1st April 2017 there were substituted references to the creation day.

(3) The modifications in sub-paragraph (2) do not apply in relation to the references to 1st April 2017 in regulation 10(2)(a), (4)(a), (6)(a), (7)(a), (9)(a), (11)(a) and (12)(a).